DUN AND BRADSTREET MONTHLY REVIEW

AUGUST, 1933

Action on the North Atlantic

Construction and Recovery

Three Important Balance Sheet Ratios

Published by
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NEW YORK CITY

Fifty cents a Copy

Whitehall and Moore Streets, at the time Peter Stuyvesant was Governor

Peter Stuyvesant was the last of the four early Dutch Colonial Governors to administer the affairs of New Netherland after the purchase of Manhattan Island from the Indians by Peter Minuet. During the 17 years he ruled the province, in the name of the West India Company, his hand fell with mighty weight and compelling force upon the early settlers.

His despotic administration was ended with the capture of the town by the English in 1664. Returning to Holland, he was blamed by the West India Company for its failure in the New World. Later, he came back to New York (so named by the English after the Duke of York, brother of Charles II) and spent his declining years on his farm, the "Bouwerie," where he died in 1672 after having lived 80 full and stormy years of life.

During the formative years of Manhattan, Stuyvesant played an historic part and the Dutch influence left its undeniable mark upon the city.

Two hundred years later, in 1841, when the Mercantile Agency was founded at Hanover Square by Lewis Tappan the neighborhood was one of Dutch Colonial homes. Even today, a trace of this early Dutch influence is evident in certain spots throughout lower Manhattan.

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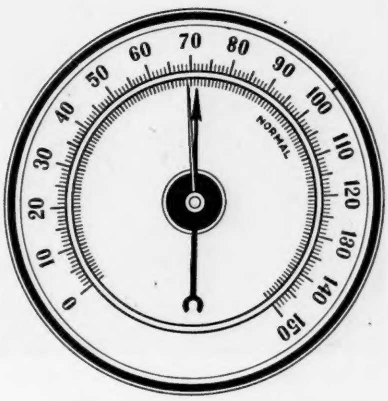
THE ACTIVITY BAROMETER



AUGUST 9, 1933	JULY 5, 1933
71.7	69.1

The Barometer reached the high for this year of 72.5 for the week ended August 2. It dropped to 71.7 in the following week—neither a surprising nor discouraging development in view of the fact that the normal seasonal slackening of activity has not as yet been in evidence this Summer.

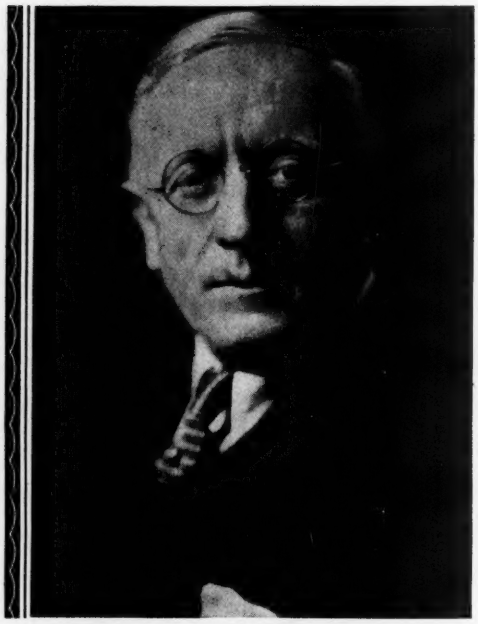
Week	*Barometer*
August 10, 1932	49.3
July 5, 1933	69.1
July 12, 1933	72.2
July 19, 1933	69.5
July 26, 1933	72.3
August 2, 1933	72.5
August 9, 1933	71.7

THIS ISSUE

"Action on the North Atlantic" is the story of the methods followed by the great transatlantic steamship companies to combat the worst trade depression they had ever faced. It is told by an executive who was in the thick of it—Mr. H. P. Borer, General Passenger Manager of the Cunard Line.

Construction is a major industry and the effect of recovery upon construction is a timely and vital subject. Mr. Ford H. Dow, who has made a life study of the construction industry, outlines this relationship in his article, "Construction and Recovery."

Mr. Roy A. Foulke is the manager of the Analytical Report Department of Dun & Bradstreet, Inc. In "Three Important Balance Sheet Ratios" he discusses a few of the basic elements of balance sheet analysis. His treatment of the subject reflects his long experience in work of this kind.



CONSTRUCTION AND RECOVERY

by FORD H. DOW
The Dow Service Daily Building Reports
New York, N. Y.

THE immediate future of the building construction business, like business in general, depends almost entirely upon the success of the N.R.A. Without governmental intervention in providing the impetus it is doubtful if any natural recovery in the construction field would have gathered anything like the current momentum much before the Fall of next year. If the N.R.A. operates sucessfully and is given a strong supporting hand by industry itself it is the estimate of Administration officials that about 6,000,000, or approximately half, of the employable unemployed will be occupied in some income-producing work by January 1, 1934. As this re-employment rolls up so will the purchasing power increase and as the latter increases so will the dollar volume of building construction.

Nearly everyone today interested in the building construction field is more or less completely acquainted with the scope of the public work's section of N.I.R.A. It is interesting to observe, however, that whereas normally 1/14 of the entire public work's construction emanates from Federal agencies, as much Federal public building construction work is to be released by October 1 as would ordinarily come out for contractor's estimates in two years. Obviously this will be a welcome boon to contracting firms catering to this type of construction. Though there are probably more contractors figuring public work today than ever before the total of such contractors does not represent the bulk of the construction industry. Thus the question arises: How can the construction business prosper if only a part of it is back to work? The answer is extremely difficult.

I had the picture put to me rather graphically a few days ago. The language and reasoning are so plain that it bears repeating. It is rather amusing.

As boys each of us can probably recall one or more incidents having started innocently enough but ending in considerable violence. The dispute may have started over a game of marbles, or whose turn it was next to ride John's bicycle. A slight nudge aside was followed by a sterner return push, followed by a declaration of war exemplified in wild swings and mighty uppercuts—few finding their target. Then came the inevitable trip home, the while formulating a plausible explanation of the affair—the ideals being fought for—and the somewhat awkward story of the black eye.

Retaliation Admittedly Destructive

All of this may seem to have no connection with business. But to me, there seems to be an apt application. Aren't we all still children, the difference being entirely one of varying degrees of maturity? Instead of the game of marbles it is the game of business—we have learned to love and prefer the more intricate moves of business comparable to an army of chessmen on the board. Instead of black eyes, bruised knuckles, and skinned knees: We find ourselves dealing with such entities as unfair competition portrayed via below-cost-prices, substitution of under-quality goods for those quoted, bid shopping, and other forms of trickery which many of us have run up against. This unreasoning primitive instinct to retaliate must be kept within the bounds of logic and it is a wise man, indeed, who can foretell the reaction to a given policy or measure.

The Good Book says: if you are slapped on one cheek, turn the other. And one of the admonitions in the Sermon on the Mount is: Do unto others as you would have them do unto you. The soundness of these advices is above question. The Commandment, however, by a process of evolution seems to have been debased so as to popularly read: Do unto others as they do unto you. The application has been destructive, apparently having gotten off with the wrong foot forward. Consequently cut prices have been met with deeper-cut prices; bid shopping with keener bid shopping; and trickery with more trickery, until everyone so practicing knew not how to stop it and still get business if he did.

Private Construction Also Gaining

Strangely enough, private construction on the surface disconnected with a public work's program, is simultaneously improving and this is particularly pertinent considering that a seasonal recession usually occurs during July and August. It is encouraging, too, because, plainly, private construction must take up the burden of building volume where and when Federal public work's support ends.

If there is anything in this picture of improved business to raise questions as to its continuance it relates to the nature of price advances and the speculative buying it causes. The mere rise of material, equipment, appliance and service charges in themselves should not occasion serious alarm. The depressing effect of wholesale bank failures from the Autumn of 1931 to March, 1933, abnormally lowered prices and with the pressure eased the rebound is natural and recovery up to the point of demand inevitable.

Since the inauguration of President Roosevelt on March 4, five months ago, copper has increased 65 per cent; tin, 100 per cent; lead, 45 per cent; cement, 17 per cent; lime, 35 per cent; paints, 25 per cent; radiators and boilers, 25 per cent; brass, 25 per cent; framing lumber, 35 to 50 per cent; flooring, 45 per cent; sheathing, 55 per cent; shingles, 73 per cent; steel, 10 per cent; sheet copper, 18 per cent; copper wire, 23 per cent; lead covered wire, 33 per cent; cast iron soil pipe, 50 per cent; and plumbing fixtures, pipe and fittings, 30 per cent. Other minor increases could also be enumerated. Still other increases are in the immediate offing. Some materials have not changed at all, among them being common brick. The average increase for the entire list would not run more than 25 per cent up to now. Keeping in mind the depressed level at which material prices were a few months ago this, in my opinion, is not a serious enough rise to discourage investors from entering the market.

In passing from the price situation an example of its application may be helpful. Where, for instance, 3.30 cents of the New York building construction dollar was consumed on structural and reinforcing steel (not including labor), 4.13 cents now is necessary. Approximately 24 cents of the New York building dollar goes for material and the other 76 cents for labor. No one trade receives for labor more than 9⅓ cents of the building dollar, nor more than 3⅓ cents for material. The spread is far wider than one would suspect.

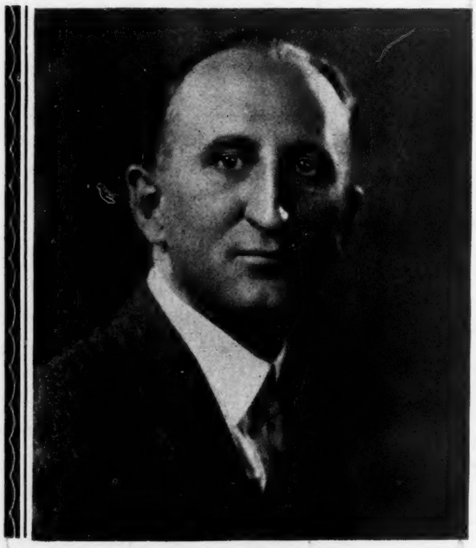
Increased Purchasing Vital

The Administration has struck directly at a vital point in the economic structure. By far the larger portion of each of the 3,300,000,000 dollars to be spent will go to the pockets of labor, increasing the purchasing power. Accomplishing this the vicious cycle is checked and the upswing started. The bricklayer, the iron worker, the truckman, buy more groceries, clothes, and the grocer buys, and the clothier buys, and so on ad infinitum; the whole downward trend being reversed. And this will directly aid the building construction business. The bricklayer will rent or buy his own home, the apartment house owner will fill his available space, etc., etc.

Mortgage Improvement Augurs Well

The other factor holding back home building and construction in general while purchasing power of sufficient virility is being built through the employment drive, is the mortgage situation. While there is at present practically no mortgage money available because of the submergence of banks into real estate, it is encouraging to note that here and there a bank is getting itself into position to make loans, and, as announced on August 3, that Governor Lehman of New York State is bringing plans to a swift conclusion to rehabilitate mortgage firms of New York. Limited money is becoming available to established businesses for sustenance purposes and for certain expansion. Real estate holdings forced upon the banks through unavoidable foreclosures are being unloaded as fast as possible on purchase money mortgages to responsible bidders. When enough of this type of liquidation has occurred a growing volume of mortgage funds should be at the disposal of the owners wishing to build. Meantime, realty holdings on bank's doubtful lists should be aided by an increase in rentals gaining momentum in September and October.

Barring set-backs the building revival should resume its upward pace by September 1, and show real old-time outward appearances of activity thereafter. A story recently told by President Roosevelt in a nation-wide radio address is appropriate to this point: "Someone," said the President, "once asked of another if they thought Andrew Jackson, 'Old Hickory,' would go to Heaven, and the reply was, 'He will if he wants to'." Similarly, the building construction business can save and elevate itself "if it wants to." And the indications say that it does.



H. P. BORER
General Passenger Manager of the Cunard and Anchor Lines

ACTION ON THE NORTH ATLANTIC

On the Fourth of July in the year 1840, Samuel Cunard, a Halifax merchant, founded the Cunard Steam Ship Line. Cunard soon became, and remained, an outstanding factor in North Atlantic shipping. Mr. Borer, Cunard's chief passenger executive, outlines current problems of the North Atlantic trade.

THIRTEEN months ago, in the early days of July, 1932, four great Atlantic liners left New York, each bound for a cruise to Iceland, Norway, Sweden and the Land of the Midnight Sun. No new untried venture was this, but the repetition of a yearly event in shipping circles—the annual blue ribbon cruise for which the great Atlantic lines assign their finest ships for the comfort of a discriminating public whose names individually represent a cross-section of the social and business elite of this country.

The average capacity of these four ships was 450 first-class passengers per steamer. The number actually carried by each steamer was:

Ship No. 1—230 passengers
Ship No. 2—197 passengers
Ship No. 3—177 passengers
Ship No. 4—105 passengers

It requires no special knowledge of the shipping trade and the cost of operating Atlantic luxury liners to realize that the home offices of the lines concerned uttered no whoops of joy when they received cables the following day giving the financial results of these sailings. However, long before these ships had returned to New York, 40 days later, three of the four lines had announced that the cruise would be repeated in July, 1933.

The announcement of the cruise went out, printers started prompt work on the preparation of beautiful literature describing the cruises, and attractive "ads" began to appear in national magazines and newspapers throughout the country. In this way, thousands of dollars were spent before the first passenger appeared to engage a room.

Subsequent to the announcement that the cruises would again be made this year, conditions in this country became steadily worse last Fall and Winter, culminating in March with the Presidential proclamation of a banking moratorium. Bookings for the cruises were practically negligible, yet the lines continued their campaigns, and went so far as to give official and definite assurance to the public that the cruises would sail.

In some industries, such determination to "carry on" would be considered foolhardy. Many firms would, under similar conditions, temporarily withdraw from a particular field in which they were losing heavily until there was some indication of being able to make expenses. The North Atlantic passenger trade, however, has been tested in the crucible of depressions which for them have appeared more frequently and lasted longer than those known in almost any other trade. The existence of the North Atlantic steamship lines for the past twenty years has been a hard one and in the manner of the fighter who is trained to take punishment without going down for the "count," they have put themselves in condition to meet and overcome difficulties. The North Atlantic passenger trade requires a toughness of fiber which

many other industries have never known.

Campaigns Were Continued

Therefore, in spite of the disastrous outlook the campaigns of the three lines continued and a few weeks ago, on July 1, all three ships sailed from New York. They were the same ships that had sailed the year before with the exception that the fourth had dropped out because her owners required her services elsewhere.

The number of passengers carried by the three ships are shown together with the number carried last year so as to indicate a direct comparison:

	Number Passengers 1932	1933
Ship No. 1..........	230	411
Ship No. 2..........	197	454
Ship No. 3..........	177	298

As a matter of fact, ships No. 1 and 2 were fully booked several weeks before sailing and had to turn away business from that time on. The story of these cruises is but an incident in the passenger shipping trade, yet it carries a significance which is of present-day interest to every industry in the country.

No cheap cruises were these, the average passage rate paid per person being in excess of $750. On the passenger list of those who sailed in these three ships were the names which any clerk in the three lines could identify as clients who had annually taken this or similar cruises up to three years ago but since that time had been entirely unresponsive to all solicitation. They were "staying home this year" or they "didn't feel they could afford to make the trip this time."

Recent Improvement Marked

Something has happened within the past three months which convinces the passenger trade that the turn has come and, while there are many indications other than that of the cruises to the Midnight Sun, none perhaps illustrates the reason for its optimism so clearly.

In the regular North Atlantic trade itself, "buyers," i. e., the commercial gentlemen who make three and four trips abroad each year for their firms to comb the European markets and thus form one of the nuclei of the trade, are once more to be seen on the gangplanks of the great express ships. Firms which had cut their staff of "buyers" from twelve to two have increased them in the past few weeks to six and eight. Large American industries whose officials have not gone to Europe for two and three years are again reserving their favorite rooms in these steamers. European countries whose peoples had in the past few years found a trip to this country almost prohibitive because of the high relative cost of living in the United States, now find that their pound, franc, guilder or mark purchase a lot in the United States and the movement of both business and pleasure travel from Europe has picked up. The great transatlantic lines are looking ahead. They feel that one more of the many depressions that they have weathered has been passed. The storm warning flags are coming down and those indicating fair weather are being hoisted.

SUMMARY

Mr. Borer aptly points out that recent years have been the worst in the history of the transatlantic trade. The story he tells is one of action —of the manner in which the North Atlantic lines have overcome problems.

Erratic movements of foreign exchange, declining business and pleasure travelling and greatly decreased immigration were the primary causes of curtailed traffic and revenues. They forced the lines to give thought to the future.

The special cruise was the solution which was tried and found impressively successful. The story of the development of the cruise campaign is an instructive example of the resourcefulness of modern business.

One swallow does not make a Summer and a few sailings showing improvement will not right the troubles of the transatlantic trade and put its operators back in the dividend class.

However, the transatlantic lines have already overcome such tremendous obstacles that they look forward to the future with new confidence at the sign of better conditions and there is reason for this confidence in their resourcefulness and the history of their accomplishments.

To the great American industries, who up to 1930 had enjoyed years of increasing business and prosperity, the story of the problems met and conquered by the transatlantic companies during the past 20 years must seem fantastic.

Immigration Decline A Factor

In 1913, the last pre-war year of normal passenger traffic, the number of passengers who crossed the Atlantic east and westbound from United States and Canadian ports totalled 2,585,174 persons. In 1928 and 1929, "boom years" throughout the country for practically every industry except shipping, the totals were: 1928, 1,232,259; 1929, 1,249,236. A 50 per cent falling off in passengers carried at the time of the world's great period of prosperity!

The explanation of course was the practical cessation of immigration to this country, but to the lines the hard facts were that some use had to be found for the thousands of third-class berths which occupied a large proportion of the ships' passenger space and which went empty trip after trip after the United States had changed its immigration policy. It was not long after the war that the lines first gave evidence of their resourcefulness in overcoming what appeared to be an insuperable handicap.

In 1925 a great British line an-

nounced that the entire third class of one of its ships would be reserved for male college students. The rooms would be painted up, a few curtains hung and a 2x4 rug placed in each room. A college orchestra would be engaged to play exclusively for the third-class passengers, and instead of the usual variety of Continental dishes dear to the palates of the third-class immigrant, such as goulash, spaghetti, etc., an American menu would be in effect.

Experienced owners of other lines sat back with keen interest and watched the experiment. Up to this time it had been considered impossible to get Americans to travel other than cabin or first class, even the comfortable second class being looked upon with disfavor by the native-born American.

Special Appeals Successful

But the item in the announcement which really made the bold idea successful was the phrase "exclusively reserved for college students. No ordinary third-class passengers will be carried on this trip." Psychologically the only real objection Americans had to travelling in the third class was the fear of having several hundred fellow passengers of the immigrant type to live, eat and sleep with for seven or eight days. With this fear removed they flocked to the idea of a trip to Europe and back, everything included, for $160.

Within a short time all space in the third class on this one sailing was sold out and the line then made another bold experiment. It was one thing to get American college boys, out for a lark, to travel third class, but college people only travel two months in the year. Obviously the problem of filling these third-class berths was a year-round one.

Again an announcement that another ship of the same line sailing a week later would have its third-class accommodation "exclusively reserved," but this time for "teachers, artists, and professional people." The whole basis of this plan was to broaden the scheme so as to get men and women of every walk of life—the "white collar" class—whose income was too low to bring Europe within their reach in the form of first-class travel, but whose number was legion and their travels had never up to this time included a voyage across the Atlantic.

Again people flocked to the line's office to pay $160 for a trip to Europe. This time it was secretaries, clerks and people of many walks of life with average incomes of $2,500 and $3,000 who previously had gone to the mountains or lakes for a few weeks' vacation. An unexpected impetus to the drive was given when young society took up travelling "tourist third" as a lark in the same manner as they went "slumming" in the nether parts of the city.

How ship after ship was added to the list of "exclusively reserved third class" and how one line after another followed the pioneer company is a matter of record. The result of the bold experiment is best told, however, by the figures of tourist-class passengers carried across the Atlantic since its existence.

Year	Number Passengers	Year	Number Passengers
1924......	3,445	1929......	222,868
1925......	31,850	1930......	266,572
1926......	81,452	1931......	197,853
1927......	154,564	1932......	204,282
1928......	190,626		

Short Cruises Well Supported

Of more recent creation has been another effective remedy for depression initiated and successfully developed by the transatlantic lines.

In 1931 the same line which announced "Tourist Third Class" was quoted on the front page of the *New York Times* as offering a voyage first class in one of its great liners for $50. The voyage was a cruise of four days to Nassau, Bahamas, with every facility, including food, stateroom, service, as that provided for the discriminating first-class trade of the North Atlantic.

It sounded too good to be true and within three days the books of the line's first Week-End Cruise were closed, every room being sold.

Since that date scores of great Atlantic liners have made week-end cruises and several millions of dollars of created business—created in the fullest sense of the word—have helped to make up for the falling off in Atlantic traffic during the depression period.

These cruises have been particularly helpful in that ships would in any case have been lying idle in New York between arrival from and departure for Europe so that only material cost of operation was the cost of food and fuel. Wages of crew, depreciation, and interest on capital charges would have been incurred to the same amount had the vessels been lying at New York instead of cruising.

A further great benefit, perhaps the greatest, was the spade work accomplished for the future in getting people who had never set foot on a great liner to make a four-day trip in one at a price which almost anyone could afford. These people, thousands in all, came back from their first experience on shipboard with a new conception of the benefits and pleasure of ocean travel.

The lines can confidently assume that each week-end cruise passenger is a potential client for a trip to Europe and numerous are the definite cases on record of first crossings following shortly after a week-end voyage to Bermuda or Halifax.

Lines Confident of Future

Having thus shown themselves sufficiently resourceful to carry on during the worst years of their history the transatlantic lines look forward with the greatest confidence to the future. The marked improvement which they have enjoyed during the past three months finds them ready to swing into action at full pressure. Engines are purring smoothly, a full crew is on board and the lever in the bridge has been thrown over to "Full Speed Ahead."

THREE IMPORTANT BALANCE SHEET RATIOS

by ROY A. FOULKE
Manager, Analytical Report Department, Dun & Bradstreet, Inc.

THE Treasurer of a business enterprise of quite substantial proportions sat down beside my desk about twelve months ago to discuss the financial condition of his business with me. He had been the Treasurer for eight years, those eight consequential years which covered the latter part of the inflation period when the investment security market was flourishing, when corporate funds were readily available and no questions asked regarding their use; during the period when sales began to stumble and commodity prices began to droop; through the months that business failures and liabilities steadily expanded, when hope was the strongest national conscious force, and then along through the current fluctuating course of the depression. He had carefully studied his intricate job of handling thousands of trade creditors, keeping in touch with his banks, preparing sound budgets, keeping expenses fairly well into line, and had the reputation of handling his division of the business with practical everyday simplicity and efficiency.

The business had been started in a very small way with a few thousand dollars in 1884—the year Cleveland was elected to his first term as President—and was now after a lapse of forty-eight years operating on a capital of $18,000,000 and surplus of $5,000,000, a sizable enterprise. Through a group of subsidiaries it operated an extensive chain of 276 retail stores located largely in the Eastern, Southern, and Middle Western States. Its annual sales which amounted to $48,000,000 were entirely on a cash basis. The chain had grown steadily year by year, the expansion having been carried on by funds raised by the sale of preferred stock, the sale of debentures and the issuance of "rights" to common stockholders, and also to an extent by the retention of part of the profits in the business.

The yearly purchases of merchandise approximated $32,000,000 to care for the discriminating requirements of $48,000,000 sales. For a year or so, I had been wondering how the equity of the stockholders could be protected under the management's existing operating policies in a depression, but as we examined the financial condition of the business together, I began to wonder whether the business was even responsible for its current bank and merchandise credit.

The outward indications of normal credit stability in this enterprise appeared evident to the Treasurer. Trade obligations for the purchase of merchandise were being discounted on discount terms and paid promptly on the prompt terms. Substantial credit aggregating $2,000,000 was being extended by its banks on its own unendorsed notes.

Fixed Assets Unduly High

My friend, the Treasurer, pointed out a loss of $2,200,000 in his profit and loss account for 1931, but a loss, under existing conditions, even though certain competitors were operating successfully, was nothing to be ashamed about. And besides it was the first red figure in its 48 years. But then as we began to examine the individual items in the balance sheet, their relationships to each other, and their changes when compared with corresponding items in the immediately preceding balance sheets, my heart began to sink. How could this concern work out of its morass? A fundamental conception of the weakening condition of his business seemed to be lacking and when I pointed out to him that the balance sheet disclosed fixed assets, that is, real estate, buildings, furniture, fixtures and leasehold improvements which amounted to 110 per cent of the tangible net worth on December 31, 1931, 98 per cent on December 31, 1930, and 90 per cent on December 31, 1929, the significance of this trend was totally lacking. The Treasurer who believed his business was in satisfactory condition because it was currently able to pay its bills, obtain bank credit, and had raised substantial capital in the securities market, simply replied, "Well, isn't that a normal trend and a normal condition during these times?"

Today that business is bankrupt.

Asset and Debt Ratios Significant

Balance sheets and profit and loss accounts in the past fifteen years have become open books to an increasingly large percentage of bankers, economists, investment analysts, business officials, and creditmen. Annual corporate reports have improved somewhat in the quantity of information but there is a real question if there has been any noticeable improvement in the quality. Wide, clear logical deductions can be made by one who is experienced in the interpretation of these figures.

There are at least fourteen ratios made with sales, profits and balance sheet items which are of great significance but of these, two which were of particular importance in this case had not been recognized by the management. These two are (1) the size of the fixed assets relative to the capital funds invested in the business and (2) the size of mortgage and funded debts relative to the current assets in excess of the current liabilities, *i. e.*, working capital. Notice in the second item, I say relative to the excess current assets, and not to the underlying security which is real estate and buildings. Department stores or chain stores show a normal condition when the depreciated book value of their fixed assets ranges between 50 and 75 per cent of the capital and surplus; and if there are mortgage or funded liabilities, those liabilities should be equivalent to not more than 75 per cent of the excess current assets. Percentages greater than these indicate a weakened condition.

During the past eight months I have had numerous conversations with the acting Treasurer of another concern which operates a chain of important stores. This enterprise had a net investment of about $26,000,000 on its last fiscal balance sheet. The aggregate book value of the fixed assets was almost identical. The excess current assets amounted to approximately $9,000,000, while the funded indebtedness was $9,800,000. The proportions were entirely out of balance. The enterprise represented a merger of established units but it had been put together in the boom days on "boom valuations." The volume of annual business, however, had dropped 45 per cent from the peak in three years and the decreased sales were unable to support the operating overhead assumed during better times.

I explained one day that the depreciation charges on such a large proportion of fixed assets plus the interest charges on a funded debt which was larger than the excess current assets, were excessive and could only be carried with extreme difficulty. There are only thirty-six inches in the yard. "But," I was told, "these charges virtually represent rent. Together these two charges would no more than cover rental charges if the properties were all being leased and were not owned." This statement of reasoning was, of course, a generality. Its accuracy could only be tested by the current appraisals of outside authorities. Obviously, however, if the space had all been under lease, there would have been an excellent case for a revision of the terms of the leases with a 45 per cent drop in sales, and a substantial operating loss. With the property owned in fee, the story was different.

That business has been operated by receivers for several months.

First Speculation in Land

In the years of reconstruction and rehabilitation following the speculative panic of 1873—and they were long lean years—there appeared a remarkable volume of English literature from the pen of an economist, a philosopher, and social thinker, a volume which was destined to be translated into almost every language of the world. The power and inherent strength of its thoughtful, restrained persuasion has placed it on a plane which has been reached by few economic treatises. That volume is *Progress and Poverty*, by Henry George.

After one of the most painstaking, broad studies of primary economic theories covering the fundamental problems of wages and capital, of want amid plenty, population and subsistence based upon the Malthusian theory, laws of distribution, of labor condemned to involuntary idleness, the effect of progress upon the distribution of wealth, the author arrived at the consideration of the bottom cause of the ever-recurring paroxysms of industrial depression. That fundamental cause he believed to be the speculative advance in land values. In every progressive community, population gradually increases, and improvements succeed one another, bringing about an increase in the value of land. That steady increase leads to speculative activity in which future increases are anticipated. In this manner, land values are carried beyond the point at which, under existing conditions, the accustomed return is expected by wages and capital, an increasing proportion of income going to rent. Production begins to decline at some point and this cessation is communicated to an ever-widening circle of industrial activity. There are other proximate causes such as the growing complexity and interdependence of the machinery of production, defects of currency and credit, protective tariffs and artificial barriers to the interplay of productive forces, the pursuit of monetary profit, but beneath all factors, according to Henry George, lies the fundamental initiatory cause in the speculative advance of land values.

In 1795 the Georgia "Yazoo" land frauds, the most notorious and widespread of the early American land gambles, took place—approximately 30,000,000 acres comprising most of the present States of Alabama and Mississippi were sold to four separate land companies, for the aggregate of $500,000 or about a cent a half an acre. Shares or scrip in the early land companies, representing a pro rata equity in the trusted property were generously offered to the public. Philadelphia, New York, Hartford and Boston were the principal centers, each city having its own "deals" and selling its shares throughout a wide area. Their purchases of land extended from Lake Erie to the Gulf of Mexico and from Maine to the Mississippi. The size of their operations is not to be despised even from present day extensive speculative operations.

With the early consolidation of railroads, headed by the New York Central and the Hudson River lines in 1869 by Commodore Vanderbilt there was slowly ushered in that period of large scale production and commerce under the corporate enterprise which provided a medium of wealth in the form of corporate securities, stocks and evidences of debts, which together with government securities of all classes, gradually appeared more important to the layman than real estate.

While stocks and bonds became the favored medium for investment and speculation, land naturally continued to play a most important part. It was not so many years ago that real estate development companies were giving prospective purchasers free trips to Florida and to Muscle Shoals. The Florida real estate boom while antedating the stock market crash of 1929 is too recent an occurrence to be easily forgotten. The skyscrapers of New York in many cases with a small or moderate percentage of their space leased, the precipitate drop in rental values in all parts of the country, the failure of chain stores because of excessive rentals, the inability of mortgage guaranteeing companies to meet their obligations, the uniform extensions granted by insurance companies to mortgagors, all of these developments of the past few months and years are indications of the nation-wide interest in farm lands, suburban real estate and city properties. In all economic reasoning up to the time of Henry George, land value was a preeminent factor in the consideration of speculation, investment and wealth. Today that factor has been joined and probably superseded in importance by a second factor, corporate and government securities.

Speculative Trend to Securities

In the development of accounting and credit technique by accountants, bankers, and creditmen, a certain group of items in the financial statement have come to be known as fixed assets. Those fixed assets are primarily real estate and buildings but also cover broadly rolling stocks, pipe lines, furniture, fixtures, machinery, tools, and leasehold improvements. These items represent a very substantial part of the net worth of railroads, public utilities, pipe lines, and mining concerns, a smaller percentage but still a substantial part in the case of manufacturers, generally a somewhat smaller percentage in the case of retailers, then followed by decreasing percentages in the case of jobbers, wholesalers and banking institutions.

The widespread policy of investing in land in the early years of our national life now came to be represented by the broader investment in corporate securities and the corporations in turn invested in fixed assets with the broad connotation of that term. The toll of these topheavy holdings in fixed assets during depressed conditions has come to be recognized by the repossession of real estate and buildings by mortgagees, by the widespread losses of corporate enterprises brought about in no small degree by the depreciation charges on excess fixed assets in times of relative inactivity, by the payment of interest on mortgages, bonds, debentures, and long term notes issued to cover the cost of wide expansion programs. This is not new, strange, or only theory. It is elemental. It is business today. In 1904 Veblen made this idea the crux of his theory of depression and in more recent years that theory has received most careful attention by outstanding students of the business cycle.

The financial embarrassment of the Insull group of utilities entailing an estimated loss to investors of $700,000,000, of the International Match Co., Paramount Publix Corporation, McLellan Stores, F. & W. Grand-Silver Stores, General Theaters Equipment, Inc. (which controls Fox Film Corporation) and Warner Bros. Pictures, Inc., are generally laid to over-expansion, or the result of the economic depression. These causes, one and all are blended together into the one fundamental weakness of over-investment in fixed assets, land, theater buildings, stores, leasehold improvements, and fixtures, with concurrent, heavy, outstanding funded liabilities. The Missouri Pacific Railroad, the Chicago & Eastern Illinois, Southern Railroad, Atlantic Coast Line, these and so many other railroads operating with defaulted funded debts are likewise the result of too heavy funded liabilities to carry immense valuations of properties and rolling stock.

Three Fundamental Ratios Evolved

About 1900, James G. Cannon who became President of the Fourth National Bank of New York and who was one of the early, orginal students of credit and credit problems instituted the practice of setting successive balance sheets in parallel columns. By this simple, improved mechanical arrangement the first great intensive step was taken in creating a method of analyzing financial statements. It early became the practice of comparing current assets with current liabilities and of expecting at least two dollars of current assets to be shown, to every dollar of current liabilities as a margin of protection. For years this "two for one" current rate was the alpha and omega of analyses and even today the business men are legion who believe in this one ratio as the infallible guide to credit interpretation.

When creditmen began to question the complete efficacy of the current ratio as a credit guide, a second, simple, supplemental comparison came into existence; the comparison of the sum of cash and receivables with the current debt. If the current ratio was "two for one" or better and the cash and receivables equalled or exceeded the current liabilities, an account was said to give double assurance of credit stability. Where the cash and receivables

were less than the current debt, some doubt was thrown on the inherent current credit strength of the balance sheet no matter what the current ratio happened to be. This second comparison gave added prestige to receivables as a realizable asset and less to merchandise.

No one ratio, no one comparison, can possibly give a clear picture of the credit capacity of a financial statement and profit and loss account. There are at least fourteen important ratios, all of vital significance. Each one in its turn tells a story and each one in conjunction with some other ratio and other facts then tells a supplemental story but these stories are all relative depending for their full significance on an understanding of industrial and commercial seasons and variations. A current ratio of two to one on a fiscal balance taken at the low point of a season is of little value unless it is known that in the normal operations of that business the ratio might shortly drop to 1.30 at the peak of a season.

There are three ratios which are of such fundamental significance that their full value should be realized by every important manufacturer, jobber, wholesaler and retailer in business. These three ratios are:

(1) Fixed Assets compared to the Tangible Net Worth.

(2) Current Debt compared to the Tangible Net Worth.

(3) Funded Debt compared to the Excess Current Assets (Working Capital).

Fixed Assets comprise the depreciated values of real estate, buildings, furniture, fixtures, machinery, tools, leasehold improvements and such similar items. The *Tangible Net Worth* is the sum of capital and surplus less any intangible items in the assets such as goodwill, trade-marks, copyrights, treasury stock, mailing lists and organization expenses. The *Current Debt* is the sum of liabilities due and payable within a year. *Funded Debt* is a liability due more than a year away. *Excess Current Assets* (Working Capital) is the difference between the current assets and the current liabilities.

In each of the years from 1925 to 1929 the National Credit Office which is now a division of the Dun & Bradstreet organization determined the fourteen important average ratios on every concern which sold its commercial paper in the open market. These concerns operated in the important line of industrial and commercial activity in every State. They represented the better credit risks among the group of the larger enterprises as their tangible net worth ranged between $250,000 and $350,000,000. The number varied from 2,754 in 1925 to 1,623 in 1929. As a result of the uniform healthy condition of these enterprises, the ratios represented by these studies were undoubtedly of a somewhat superior type.

Widely Different Lines Studied

The averaged ratios for each line of business varied. Wholesale grocers and wholesalers of drugs naturally invested a smaller percentage of their capital in fixed assets than manufacturers of hosiery; lumber manufacturers obtained a much smaller yearly turnover of their net worth than the meat packers; the average collection period of wool dealers was much less than retailers of furniture. The significant points brought out by this five-year study of important national enterprises were (a) cotton cloth manufacturers, both New England and Southern gave the highest average percentage of net worth invested in fixed assets ranging around 65 to 70 per cent and (b) cotton goods converters gave the highest average ratio of current debt to the tangible net worth, ranging around 55 per cent. These two percentages are most important and undoubtedly are much lower than those realized by the average businessman.

Last year, the Dun & Bradstreet organization made a further ratio study based on a larger sample of typical cases. The balance sheets and profit and loss accounts were studied on 5,754 average cases divided into refined industrial or commercial groups located in all parts of the country but with a Tangible Net Worth which occasionally went a little below $50,000. Typical ratios naturally vary, in some cases greatly and in others very moderately, from one line of business endeavor to another, and also to a smaller degree, in certain lines of business in different sections of the country. Ratios in the same industrial and commercial groupings show some variation from year to year, but the important yearly variations are those in which sales or profit figures are one part of the fraction. Ratios between balance sheet items, and particularly the three I have already outlined fluctuate relatively little from year to year in the same divisions of an industry. These three ratios are of outstanding fundamental importance. If correct proportions are maintained in these automatic controls of safety, profits will be earned more steadily, more profits will be earned, and many of the financial embarrassments, particularly of larger enterprises would be forestalled.

Representative Averages Compiled

A business enterprise is surely operated for a monetary profit. Too many business men, however, are like the ancient philosopher who fell into the gully because he gazed too intently at the stars. Sustained profits are earned more by giving constant attention to the minute details of a business and to broad economic knowledge, than by having the "will to profit." Excessive inventories might give a temporary increase in profits by having immediately available all of the possible demands of customers, but excessive inventories will bring losses because of depreciation and change in styles, in most lines of business, just as surely as one day follows another. Heavy investments in fixed properties, large current liabilities,

and substantial funded liabilities are the nemesis of American businessmen. These attributes would have no material unfavorable effect in an endless economic Springtime but there always comes a day of reckoning.

The following schedule gives the averages for two of these three important ratios in twenty of the more important divisions of business activity throughout the country:

Number of Concerns	Line of Business	Average Ratios: Fixed Assets with Tangible Net Worth	Average Ratios: Current Debt with Tangible Net Worth
		Per Cent	Per Cent
	Manufacture		
163	Cloaks and Suits	7.7	36.3
41	Converters' Silks	1.7	48.8
175	Dresses	9.2	54.3
130	Furriers	4.6	23.4
76	Knit Goods	23.7	26.6
126	Men's Clothing	8.7	34.4
50	Men's Shirts	12.7	43.0
45	Men's Shoes	19.6	28.2
75	Printers	58.2	27.9
179	Women's Shoes	32.7	44.6
	Wholesale		
51	Cotton Goods	1.7	40.3
47	Furs	2.3	33.8
40	Grocers	25.9	39.5
52	Hosiery	2.5	34.2
52	Men's and Women's Shoes	5.0	50.5
42	Paper	12.0	51.7
	Retail		
99	Department Stores	57.4	34.3
56	Furniture	14.4	26.6
40	Men's and Women's Shoes	34.5	35.2
79	Women's Specialty Shops	37.5	36.1

Too Heavy Debt to be Avoided

It is somewhat difficult to generalize but then generalizations are always easily remembered. If you have a business which has a tangible net worth in excess of $50,000, stop and take stock of your program if (1) *your fixed assets are equivalent to more than two-thirds or three-quarters of the tangible net worth of your business*, if (2) *the current debt is greater than two-thirds or three-quarters of the tangible net worth* or if (3) *the funded debt is as large as the working capital.* These three ratios are outstanding signposts of financial strength, credit stability, business health.

Only two important lines of industrial and commercial activity in the above schedule, 75 printers with an average ratio of 58.2 per cent and 99 department stores with an average ratio of 57.4 per cent, showed more than half of their tangible net worth in fixed assets. A ratio of 66⅔ per cent to 75 per cent allows a fair leeway. Most wholesalers and manufacturers in the needle industries naturally invest lightly in fixed properties. Larger manufacturers and retailers have substantial properties and equipment. As a concern increases in size, the tendency to place more and more funds in real estate, buildings, improvements, equipment and expansion programs, becomes stronger so the smaller ratio, 66⅔ per cent, applies more to concerns in the brackets from $50,000 to about $250,000, increasing to 75 per cent as an outside limit in concerns above that size.

The variation in the average ratios of current liabilities to tangible net worth is by no means as broad as the ratio of fixed assets to the tangible net worth. The range is from a low of 23.4 per cent in the case of 130 manufacturing furriers to a high of 54.3 per cent in the case of 175 manufacturers of women's dresses. In only one instance does the average ratio exceed one-half of the tangible net worth, namely, the manufacturers of women's dresses. Here again extreme care should be exercised when current liabilities go above the range of 66 2/3 to 75 per cent of the tangible net worth.

Beware of top-heavy liabilities. Don't owe too much.

Adequate ratios are not available to show a proper relationship statistically at this time between working capital and funded debt. The examination of thousands of balance sheets in all lines of activity in good times and poor have lead to the one conclusion that rarely, if ever, should the aggregate of funded debts exceed working capital. Such a relationship is top-heavy. With all of its own capital tied up in non-liquid assets, the business is then being currently operated from day to day on borrowed capital. Interest and amortization becomes a burden often too great to be carried. The importance of this fact, which relates almost exclusively to the larger concerns cannot be overestimated.

There are 1,950,000 business enterprises in all lines of business in existence in the United States. About 180,000 are manufacturers, 60,000 wholesalers and jobbers, 1,600,000 retailers, and 110,000 theaters, hotels and similar non-commercial or industrial units. The principles I have outlined here are particularly applicable to the larger industrial and commercial concerns with a net investment of $50,000 or more. The same principles apply to the immense group of the smaller concerns, most of which are local retail enterprises but with somewhat greater variation as smaller concerns generally have a smaller percentage of their net worth in fixed assets and often a somewhat larger percentage of current liabilities.

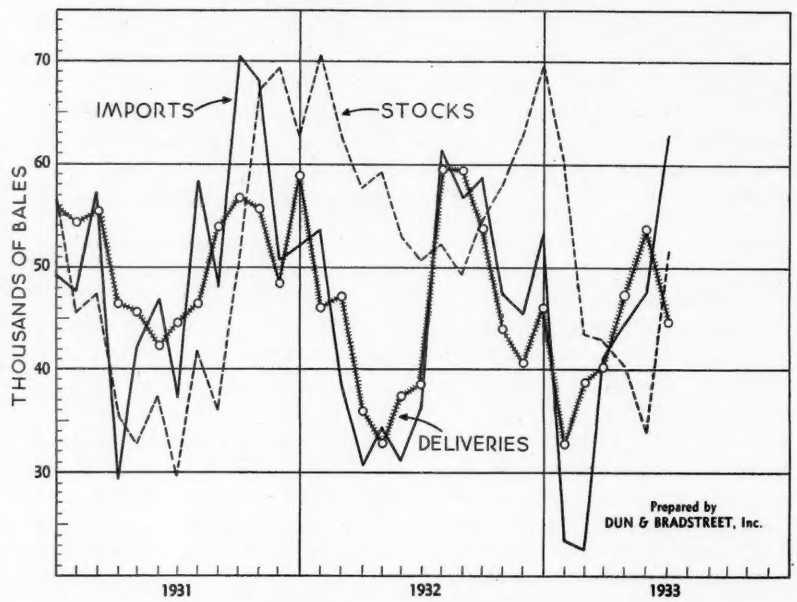
The average businessman examines his profit and loss account to ascertain how he can make more profits or reduce his losses, but rarely does he make an analytical study of his balance sheet as a most important supplemental or prior guide to the same end. An intelligent comparison of the distribution of assets and liabilities, or of average ratios, of the more successful concerns in any industry or territory, should be of inestimable value to executives, bringing out how the financial picture of their business could be modified or rebuilt to permit improved operating results.

GRAPHIC REVIEWS

SILK CONSUMPTION LOWER

DELIVERIES of raw silk of all kinds to American mills during the month of July amounted to 44,597 bales, according to the Silk Association of America. This represents a decline of 9,030 bales from June but was 6,215 bales above the July total of last year. Imports increased heavily, the June total aggregating 62,348 bales, the largest monthly total reported since November, 1931. Due to the heavy arrivals and only moderate mill takings, stocks showed a sharp increase. At the end of July they totalled 51,684 bales, a rise of 17,751 bales over the previous month and 963 bales above the corresponding date a year ago.

RAW SILK IMPORTS, DELIVERIES AND STOCKS



Raw silk deliveries to mills turned sharply downward in July, while imports increased heavily. Stocks, therefore, jumped to the highest level since last February.

Raw Silk Statistics *

(Figures in bales)

1932	Imports	Deliveries	Stocks
January	52,238	58,793	62,905
February	53,574	45,909	70,570
March	38,866	46,761	62,675
April	30,953	35,779	57,849
May	34,233	32,923	59,159
June	31,355	37,466	53,048
July	36,055	38,382	50,721
August	61,412	59,905	52,228
September	56,859	59,694	49,393
October	58,775	53,703	54,465
November	47,422	43,955	57,932
December	45,453	40,548	62,837
1933			
January	53,114	46,204	69,747
February	23,377	32,665	60,459
March	22,289	38,934	43,814
April	41,134	41,910	43,038
May	44,238	47,151	40,125
June	47,435	53,627	33,933
July	62,348	44,597	51,684

* Source: Silk Association of America.

ELECTRICITY PRODUCTION

THE average daily production of electricity for public use in June was 240,200,000 kilowatt-hours, nearly 6.5 per cent greater than in May, according to the United States Geological Survey. This is the greatest percentage increase in average daily production of electricity from one month to another ever recorded. The normal change from May to June is an increase of about 1.5 per cent.

Monthly Electricity Production *

(Millions of kilowatt-hours)

	1933	1932	1931	1930
January ..	6,932	7,567	7,956	8,663
February ..	6,285	7,023	7,170	7,627
March	6,674	7,323	7,888	8,187
April	6,462	6,790	7,655	8,019
May	6,996	6,650	7,645	8,064
June	7,207	6,563	7,529	7,784
July	....	6,547	7,772	7,899
August ...	....	6,764	7,630	7,906
September .	....	6,752	7,540	7,792
October ...	....	7,073	7,765	8,195
November .	....	6,952	7,406	7,693
December .	....	7,149	7,773	8,108
Total ...	....	83,153	91,729	102,937

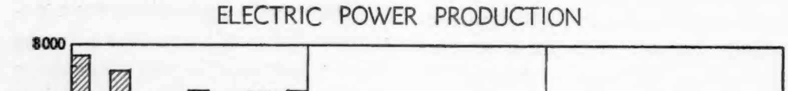
* Source: U. S. Geological Survey.

Weekly Electricity Output

Weekly output (in thousands of kilowatt-hours) as compiled by the Edison Electric Institute, for recent weeks, follows:

	1933	1932	1931
Mar. 4....	1,425,511	1,512,158	1,633,353
Mar. 11...	1,390,607	1,538,052	1,676,422
Mar. 18...	1,375,207	1,537,747	1,682,437
Mar. 25...	1,409,655	1,514,553	1,689,407
Apr. 1....	1,402,142	1,480,208	1,679,764
Apr. 8.....	1,399,367	1,465,076	1,647,078
Apr. 15....	1,409,603	1,480,738	1,641,253
Apr. 22....	1,431,095	1,469,810	1,675,570
Apr. 29....	1,427,960	1,454,505	1,644,437
May 6.....	1,435,707	1,429,032	1,637,296
May 13....	1,468,035	1,436,928	1,654,303
May 20....	1,483,090	1,435,731	1,644,783
May 27....	1,493,923	1,425,151	1,601,833
June 3....	1,461,488	1,381,452	1,593,662
June 10...	1,541,713	1,435,471	1,621,451
June 17...	1,578,101	1,441,532	1,609,931
June 24...	1,598,136	1,440,541	1,634,935
July 1.....	1,655,843	1,456,961	1,607,238
July 8.....	1,538,500	1,341,730	1,603,713
July 15....	1,648,339	1,415,704	1,644,638
July 22....	1,654,424	1,433,993	1,650,545
July 29....	1,661,504	1,440,386	1,644,089
August 5..	....	1,426,986	1,642,858

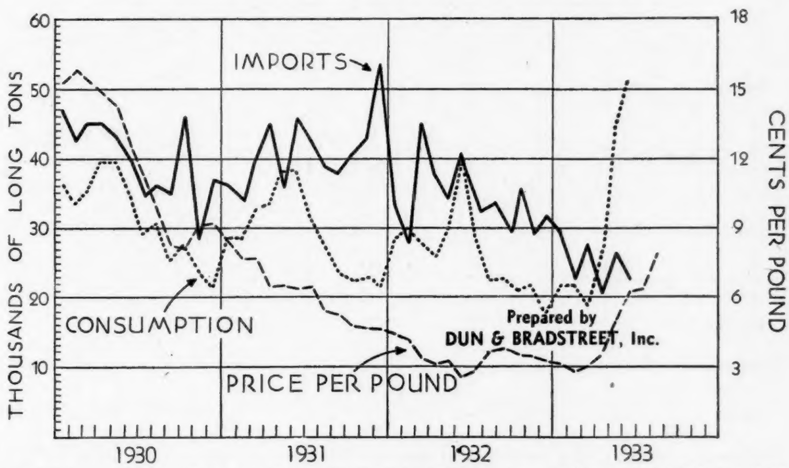
ELECTRIC POWER PRODUCTION



The chart shows the monthly production of electricity in the United States for the past three years. The rate of increase from May to June was the highest monthly gain ever to be recorded.

OF MAJOR TRENDS

CRUDE RUBBER IMPORTS AND CONSUMPTION



Reflecting the expanded operations of tire manufacturers to replenish diminishing stocks caused by the increase in automobile production, crude rubber consumption in June reached the record total of 51,326 tons.

RECORD RUBBER CONSUMPTION

CRUDE rubber consumption by domestic manufacturers reached the all-time peak of 51,326 tons during June, an increase of 15.1 per cent over May, and 23.8 per cent above the June, 1932, total, according to the Rubber Manufacturers' Association. The sharp upswing in consumption was mainly the result of buying by tire manufacturers to replenish stocks depleted by the sharp expansion in automobile production. Efforts to dodge the processing tax on cotton tire fabrics also partly accounted for the increased output.

U. S. Consumption of Crude Rubber *

(Long Tons)

Month:	1931	1932	1933
January	28,557	27,962	21,661
February	28,797	30,011	21,639
March	32,788	27,828	18,047
April	33,321	25,953	26,226
May	37,817	29,197	44,580
June	37,916	39,116	51,326
July	31,937	28,272	.....
August	27,586	22,372	.....
September	23,638	22,491	.....
October	22,277	21,018	.....
November	22,943	21,910	.....
December	21,409	16,990	.....
Total	348,986	313,122	.....

* Statistics compiled by Rubber Manufacturers' Association.

The average price of crude rubber (spot smoked ribbed sheets) during the month of July was 7.95 cents per pounds. This was an increase of 169.5 per cent over the February average, and was the highest monthly average since January, 1931. Spot price reached 10 cents a pound on July 17.

World Stocks of Crude Rubber *

(On Hand and Afloat to the United States)

At the end of:	1931	1932	1933
January	265,674	365,094	428,915
February	276,513	373,845	414,692
March	280,937	378,756	419,666
April	285,082	383,486	412,912
May	294,363	396,684	407,965
June	294,957	388,781	397,562
July	301,695	383,821	......
August	302,285	398,624	......
September	316,744	411,977	......
October	341,883	413,999	......
November	369,936	418,875	......
December	376,766	426,589	......

* Statistics compiled by Rubber Manufacturers' Association.

BITUMINOUS COAL OUTPUT

PRODUCTION of soft coal and beehive coke continues steadily to advance, although anthracite operations, while ahead of last year, are reflecting seasonal influences. Bituminous coal output in July, according to the Bureau of Mines of the Department of Commerce, totalled 29,457,000 tons, as compared with 25,320,000 tons in June and 17,857,000 tons in July, 1932. Last month's production was the largest recorded since December of last year.

Anthracite output, however, fell to 3,673,000 tons from 3,928,000 in June.

Monthly Bituminous Production *

(*Tons*)

	1933	1932	1931
Jan.	27,060,000	27,892,000	38,542,000
Feb.	27,134,000	28,013,000	31,408,000
Mar.	23,685,000	32,250,000	33,870,000
Apr.	19,523,000	20,300,000	28,478,000
May	22,488,000	18,384,000	28,314,000
June	25,320,000	17,749,000	29,185,000
July	29,457,000	17,857,000	29,790,000
Aug.	....	22,489,000	30,534,000
Sep.	....	26,314,000	31,919,000
Oct.	....	32,677,000	35,700,000
Nov.	....	30,632,000	30,110,000
Dec.	....	31,110,000	30,260,000
Year	....	305,667,000	378,110,000

* Source: U. S. Bureau of Mines.

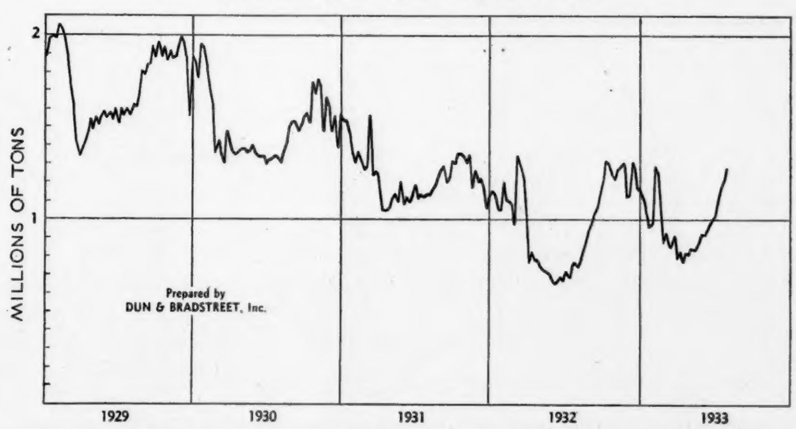
Weekly Bituminous Production *

(*Daily average output, tons*)

	1933	1932	1931
June 3	913,000	687,000	1,098,000
June 10	906,000	663,000	1,112,000
June 17	946,000	675,000	1,106,000
June 24	998,000	693,000	1,125,000
July 1	1,075,000	678,000	1,192,000
July 8	1,106,000	718,000	1,112,000
July 15	1.161,000	695,000	1,131,000
July 22	1,203,000	733,000	1,126,000
July 29	1,258,000	768,000	1,135,000

* Source: U. S. Bureau of Mines.

BITUMINOUS COAL PRODUCTION



The chart depicts weekly movement of daily average bituminous coal output. Daily average output for July was 1,178,000 tons, against 974,000 in June and 714,000 in July last year.

GRAPHIC REVIEWS

CRUDE OIL PRODUCTION

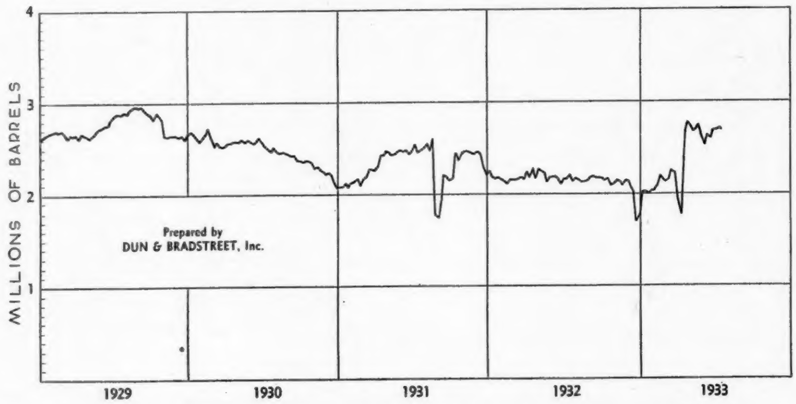
DAILY average crude oil production in the United States for the week ended August 5, according to the American Petroleum Institute, was 2,679,200 barrels, a drop of 18,650 barrels from the average of the preceding week, and compared with 2,171,900 barrels for the week ended August 6, 1932. The decline was chiefly attributable to a further large decrease in Oklahoma production, which fell 32,150 barrels.

Stocks of gasoline at refineries and total stocks of motor fuels declined during the week to 72 per cent of capacity in the rate of refinery operations.

Following are the daily average crude oil production figures for recent weeks:

	1933	1932	1931
Apr. 8.....	2,221,000	2,227,000	2,308,000
Apr. 15....	1,934,000	2,182,000	2,422,000
Apr. 22....	1,796,000	2,268,000	2,423,000
Apr. 29....	2,383,000	2,178,000	2,475,000
May 6.....	2,649,000	2,252,000	2,469,000
May 13....	2,734,000	2,237,000	2,427,000
May 20....	2,705,000	2,225,000	2,437,000
May 27....	2,635,000	2,169,000	2,462,000
June 3....	2,676,000	2,181,000	2,475,000
June 10...	2,709,000	2,183,000	2,463,000
June 17...	2,612,000	2,198,000	2,482,000
June 24...	2,514,000	2,156,000	2,442,000
July 1....	2,602,000	2,105,000	2,483,000
July 8....	2,596,000	2,153,000	2,545,000
July 15...	2,633,000	2,155,000	2,447,000
July 22...	2,673,000	2,206,000	2,487,000
July 29...	2,698,000	2,138,000	2,501,000
Aug. 5....	2,679,000	2,172,000	2,556,000

CRUDE OIL PRODUCTION (Daily Average)



The chart shows the weekly variations in daily average crude oil output. For the past three months daily average production has been fairly steady at a rather high rate.

JULY BUILDING STEADY

JULY building operations throughout the United States again exceeded those of the same month of 1932, the June total being the first month since April, 1929, to show an increase over the previous year. The aggregate building expenditure for 205 identical cities for July amounted to $28,686,762, against $26,650,292 for July a year ago, a gain of 7.6 per cent, and $33,452,191 for June, a decline of 14.2 per cent. The drop from the June total was caused by the quieting down of building in New York City.

Outside of the Metropolis building permit values in July totalled $24,320,684, compared with $23,122,283 in July a year ago, an increase of 5.2 per cent and $23,147,690 in June, a rise of 5.1 per cent.

The following table shows the July building permit values for 205 identical cities of the United States, with comparisons:

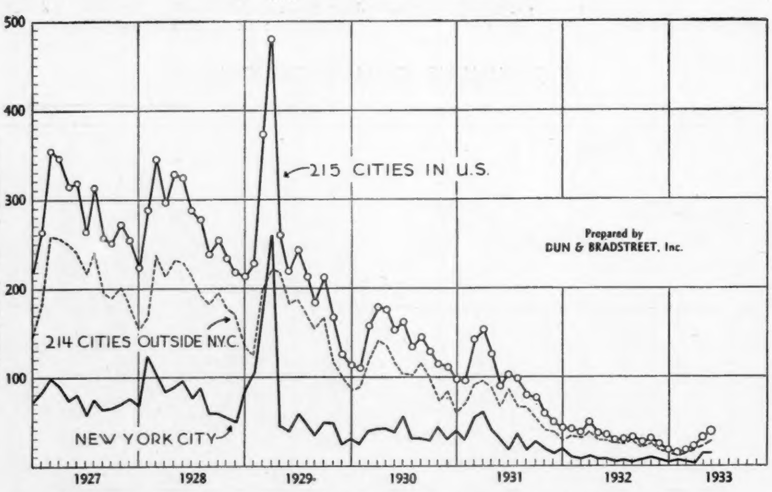
	July, 1933	July, 1932	June, 1933
New England.	$2,109,318	$4,549,766	$2,971,783
Mid. Atlantic.	8,268,472	7,745,152	14,001,651
So. Atlantic..	1,835,329	2,731,363	2,709,745
East Central.	3,219,727	4,652,470	3,885,239
South Central.	2,647,247	1,509,049	2,313,930
West Central.	5,064,099	2,367,552	2,025,574
Mountain	343,598	289,255	396,682
Pacific	5,198,972	2,805,685	5,147,587
Total U. S..	$28,686,762	$26,650,292	$33,452,191
New York City	4,366,078	3,528,009	10,304,501
Outside N.Y.C.	24,320,684	23,122,283	23,147,690

For comparative purposes the monthly building totals for the past three years for the complete list of 215 identical cities is presented herewith, with the July total estimated.

	1933	1932	1931
Jan.	$17,744,805	$42,429,665	$96,063,912
Feb.	17,161,943	40,858,938	95,895,959
Mar. ...	17,798,441	37,676,746	142,107,807
Apr.	22,091,417	47,741,687	152,029,087
May	31,525,523	34,566,714	123,632,095
June ...	34,098,384	32,173,221	89,543,442
July ...	*29,214,000	27,150,469	101,553,346
Aug. ...	....	27,565,795	96,431,866
Sept. ...	....	30,437,268	79,589,466
Oct.	....	26,107,428	76,929,109
Nov. ...	....	29,301,309	57,604,868
Dec. ...	....	23,279,690	47,582,316
Total..	....	$399,288,930	$1,158,963,278

* Estimated.

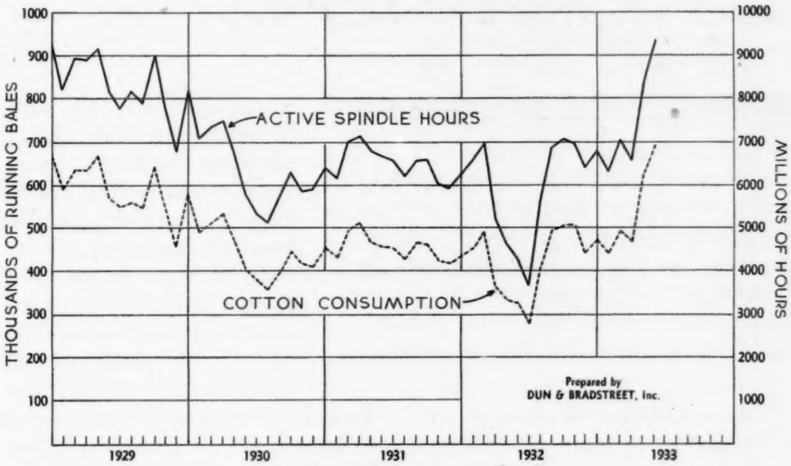
BUILDING PERMIT VALUES



After rising steadily for four months past, building operations, according to preliminary returns, dropped about 1¼ per cent in July but for the second consecutive month continued above the levels of last year.

OF MAJOR TRENDS

COTTON CONSUMPTION AND SPINDLE ACTIVITY



Both cotton consumption and cotton spinning operations reached new high records of activity during June. Both were also more than double the June, 1932, figures.

RECORD COTTON CONSUMPTION

CONSUMPTION of cotton during June, amounting to 696,472 bales, reached the highest figure recorded since the Census Bureau began keeping monthly records in September, 1912. This was an increase of more than 75,000 bales over the May total of 620,909 bales and more than double the June, 1932, consumption of 322,706 bales. The record June consumption put the total for the eleven months of the cotton season to date nearly 1,000,000 bales above the previous season.

Cotton Consumption

(Thousands of running bales)

	1933	1932	1931	1930	1929
Jan. ...	471	435	450	576	668
Feb. ...	442	451	433	494	595
Mar. ...	494	489	491	508	632
Apr. ...	471	366	509	532	632
May ...	621	332	465	473	669
June ...	696	323	454	405	569
July ...	...	279	451	379	547
Aug. ...	...	403	425	353	559
Sept. ...	...	492	464	393	546
Oct. ...	...	502	461	443	640
Nov. ...	...	504	425	415	541
Dec. ...	...	440	415	406	453
Total ..	...	5,016	5,443	5,376	7,051

Source: Bureau of the Census.

Increased consumption was reflected in spindle activity. Many of the mills ran at capacity night and day, with 25,540,504 spindles active during the month. These set up a new record by operating an aggregate of 9,299,175,026 spindle-hours during June.

Active Spindle Hours

(Millions of hours)

	1933	1932	1931	1930	1929
Jan. ...	6,788	6,213	6,365	8,176	9,227
Feb. ...	6,286	6,567	6,122	7,087	8,225
Mar. ...	7,048	6,967	7,000	7,344	8,911
Apr. ...	6,569	5,199	7,125	7,497	8,861
May ...	8,310	4,592	6,733	6,725	9,164
June ...	9,299	4,250	6,650	5,789	8,160
July ...	....	3,656	6,528	5,301	7,757
Aug. ...	....	5,539	6,198	5,107	8,129
Sept. ...	....	6,866	6,539	5,662	7,873
Oct. ...	....	7,046	6,598	6,243	9,006
Nov. ...	....	6,967	6,018	5,825	7,821
Dec. ...	....	6,386	5,957	5,924	6,768
Mon. Av.	....	5,854	6,484	6,390	8,325

Source: Bureau of the Census.

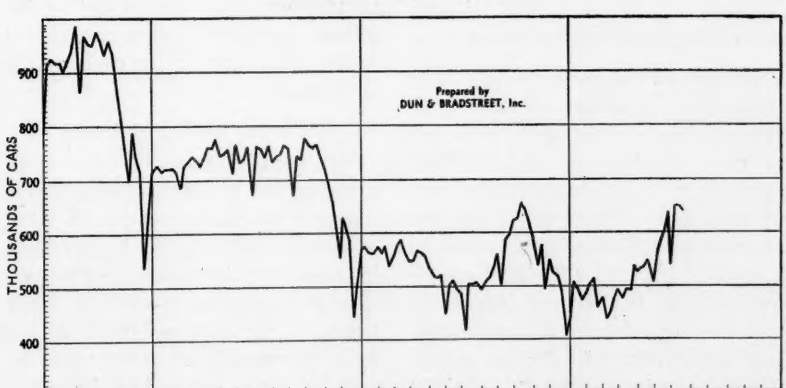
FREIGHT CARLOADINGS

LOADINGS of revenue freight for the week ended July 29, totalled 638,396 cars, as announced by the car service division of the American Railway Association. This was a decrease of 10,518 cars below the preceding week, but an increase of 127,293 cars above the corresponding week of 1932. It was, however, a reduction of 123,422 cars below the same week in 1931. The improvement registered over a year ago in the seven days ending July 29 marked the twelfth consecutive week in which traffic has bettered the like period of a year ago.

Carloadings by Weeks

	1933	1932	1931
Jan. 14........	506,322	572,649	725,212
Jan. 21........	496,434	562,101	715,474
Jan. 28........	472,088	560,343	719,397
Feb. 4.........	483,192	573,923	719,058
Feb. 11........	501,320	561,535	720,689
Feb. 18........	514,390	572,265	713,156
Feb. 25........	459,079	535,498	681,221
Mar. 4.........	477,827	559,479	723,215
Mar. 11........	437,813	575,481	733,580
Mar. 18........	449,712	584,759	741,253
Mar. 25........	475,850	561,118	738,880
Apr. 1.........	494,588	544,[illegible]61	727,852
Apr. 8.........	487,296	545,[illegible]23	737,272
Apr. 15........	494,215	566,826	759,494
Apr. 22........	492,970	562,527	758,503
Apr. 29........	535,676	554,197	774,742
May 6.........	523,819	533,951	745,740
May 13........	531,095	517,260	747,057
May 20........	531,618	515,628	754,738
May 27........	541,309	521,249	711,249
June 3.........	508,234	447,412	761,084
June 10........	564,546	501,685	732,409
June 17........	587,931	518,398	739,094
June 24........	604,668	498,993	759,363
July 1.........	634,074	488,282	667,631
July 8.........	539,223	415,928	762,444
July 15........	648,206	503,761	757,989
July 22........	648,914	501,912	742,481
July 29........	638,396	511,103	638,396

FREIGHT CARLOADINGS



Although loadings of revenue freight declined 1.6 per cent in the week ended July 29 to a total of 638,396 cars, they are still close to the 1933 peak, being exceeded only in the two immediately preceding weeks.

GROCERY TRADE IN BEST POSITION IN YEARS

The entire grocery trade has been helped by the rising inventory values and the growing volume which has resulted from wider employment. Wholesale grocers have done more future business in the past two months than at any period in more than five years. Encouraging decrease in failures among retailers.

STRENGTHENED by advancing commodity prices, which have influenced forward buying to a considerable extent, readjustments, which have been under way for the past two years, now are showing pronounced results in the grocery trade. Output in nearly every division is larger than it was a year ago at this period, sales have broadened almost uninterruptedly during the last three months, while the outlook is more encouraging than it has been in the past three years. Both wholesalers and retailers are looking forward with confidence to greater profits through increased prices and volume during the next six months.

The entire grocery and food products trades, in fact, now are on a much more stable basis, having been helped by the rising inventory values and the growing volume that has resulted from wider employment. All factors now indicate ground for expectation of general improvement in both volume of trade and collections during the present quarter.

Sales Broadening Steadily

Output of the major products is running to a larger volume, with canners well employed, and important cereal manufacturers operating to a considerable part of capacity. The flour mills are on a three-shift basis, presumably because of the new Federal enactments soon to become operative, and the imposition of the processing tax of 30c. a bushel on wheat which went into effect at midnight on July 8, automatically raising the price of flour about $1.38 a barrel.

In contrast to the situation during the early part of the year, when sales were confined largely to the cheaper lines of staples, consumers now are extending purchases to the better qualities of merchandise. The best-selling items appear to be staples and bulk commodities, canned fruits and vegetables, sugar, coffee, cereals, soap, seasonable foods, salad dressings, fruit juices, and provisions. In addition to the better demand for regular items of merchandise, which has resulted from increased spending power, beer distribution has helped to lift general retail sales volume from 8 to 12 per cent above the 1932 comparative total. Stocks are indicated to be about 7 per cent larger than they were at this period last year. Most of the retailers now are aligning operations so as to produce profits rather than volume.

Advance Ordering Heavy

Wholesale grocers report volume for the last six months above that of the same period in 1932, with the outlook far better than it was at this time a year ago. Heavy groceries, such as flour, beans, sugar, rice, and lard all have been advanced in price, and increases are appearing in other items almost daily. Sales of pickle products, salad dressing, and kindred condiments have jumped ahead each month since March, with the July showing the best in years. Sales of preserves are up 15 to 20 per cent over the total of last year.

It is daily becoming more difficult to secure confirmation of orders, because spot stocks are sold entirely and because prices are rising so rapidly. There seems to be a better feeling in all branches of the trade, although retailers are resisting the heavy purchase of spot stocks. On the other hand, a number of stores that apparently are in a better financial position, with ready cash available, are purchasing beyond normal needs, in the belief that prices will be higher. During the past two months, wholesale grocers have done more future business, that is, they have sold more food products for delivery next Fall on the arrival of this year's crop than at any period in more than five years.

Price Index Up 15.7 Per Cent

Prices have advanced continuously since March, due chiefly to the broadening demand, with the increase most noticeable in flour, cereals, grain products, sugar, rice, lard, and packing house and dairy products. Teas, spices, and all imported articles have been marked up because of the depreciated dollar. Canned goods and condensed milk have advanced around 20 per cent, and some of the dried fruits as much as 30 per cent. The general price trend still is upward.

The Index Number of wholesale grocery prices, compiled by the National Wholesale Grocers' Association, stood at 72.9 at the

end of June, as compared with 67.3 a year ago, a gain of 8.3 per cent. From the all-time low of 63.0, which was touched in February, there has been a gain of 15.7 per cent, the current figure being the highest reached since November, 1931.

Baltimore

The distribution of groceries here tends toward those concerns which are organized and owned by groups of retailers. These concerns are but little more than community buyers for the retail stores affiliated with them. Their sales are on a close margin, on a cash and carry basis. They are not operated for profit. These concerns are gradually increasing the number of retailers affiliated with them which, in turn, increases the volume. Also, more and more retailers are getting on a cash basis. Practically all heavy groceries, cereals and canned goods are selling at advanced prices.

Birmingham

The wholesale grocery trade reports a small but noticeable increase in sales during the past two months, due to a slight gain in employment and a generally better feeling among retailers throughout this section. Staple and seasonable merchandise continues in greatest demand. Prices have shown a decided upward turn, with the prospect of further rises during the late Summer or early Fall months.

Cincinnati

Output of groceries and food products in this district indicates an increase over that for the same period of 1932, although sales still are off about 10 per cent, the best-selling items are canned milk, flour, beans, cereals, sugar and soaps, and prices have advanced 5 to 10 per cent on these commodities over the level of the first six months of 1932.

Both retail and wholesale collections generally are showing an improvement. Weather conditions have affected the canned goods industry, and the bean and pea crops are far short of demand.

Cleveland

The first five months of the year were difficult ones for wholesale and retail grocers here, featuring declining sales and price reductions. In April, there was an average increase of 14 per cent in sales over those for the same month of 1932.

During June and July, there was a steady rise in nearly all staple foodstuffs and wholesale trade improved accordingly. Retailers, whose financial condition permitted, were anxious to get the advantage of present prices, anticipating further rises in costs.

Dallas

Both wholesale and retail grocery sales here are running 5 to 10 per cent ahead of the record for this period last year. The average price has risen about 15 per cent during the past three months, and further increases are expected. Staple items, such as flour and sugar, continue to predominate in selling strength.

Denver

During the first four months of the current year, there was little change in the value of production of groceries and foodstuffs in this district from the generally good level maintained during the comparative period of 1932. During the last ninety days, however, the value of output has increased from 10 to 15 per cent. Distribution has been general, with no items outstanding in the current demand.

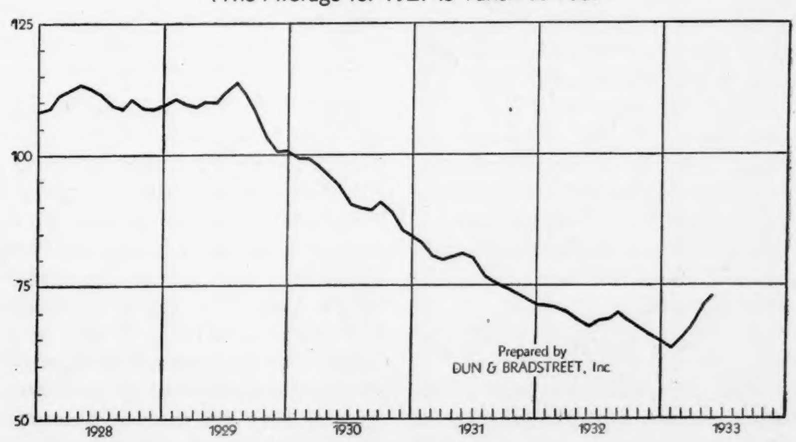
Indianapolis

Wholesale distriution of groceries has shown consistent and steady gains since May, equalling or exceeding the volume for the same months of 1932. Prices are showing a constant upward trend, and an improvement in collections is noted. Prospects for continued expansion appear to be favorable.

Kansas City

Notwithstanding decreases of moderate amounts in some of the staple articles, sales in both dollar volume and tonnage were satisfactory during the second quarter of the year. In some instances, business was much better than it was a year ago. As is usual at this season, there are liberal supplies of farm products, vegetables, and other items that occasion some reduction in general demand. Local crops, however, have not been so heavy as usual, because of the dry weather of June.

INDEX OF WHOLESALE GROCERY PRICES *
(The Average for 1921 is Taken as 100)



* Courtesy National-American Wholesale Grocers' Association.

Wholesale prices of groceries have been rising steadily since February, the Index Number at the end of June reaching 72.9, the highest point touched since November, 1931. Since the all-time low of 63.0 recorded for February, the Index has advanced 15.7 per cent.

Los Angeles

This district experienced the lowest ebb in wholesale grocery sales during February, 1933, which was 17½ per cent under that of February, 1932. Sales during the first five months of this year were 10 per cent under those for the same period last year. April and May sales were 3½ per cent and 7½ per cent, respectively, over the total of the corresponding months of 1932.

With the increase of prices, it is anticipated that the upward trend in volume will continue. Present prices average 7½ per cent higher than a year ago, and even higher levels are expected. Most jobbers are buying heavily in staple commodities.

Minneapolis

The grocery and food products lines hereabouts are on a much more stable basis than a year ago. Retailers have quite largely accustomed themselves to the credit situation in accommodations to their customers, and in general, are meeting with a better volume growing in part out of moderate increase in employment. They are heartened also by increases in inventory prices.

New Orleans

There is a marked improvement in the grocery trade, and the independent grocer is better placed than for several years past. For quite a while, due to economic conditions, sales have been confined largely to cheaper lines and to staples. With improved conditions, the consumer is extending purchases and the increased demand is for the better quality merchandise. Price trends generally are upward. Grain and dairy products show marked increases, and some of the former are scarce, due to crop failures.

Norfolk

The principal call still is for staples, with a slight increase in the sales of both staple and fancy groceries. Prices are on the uptrend, with bread already up one cent a loaf and a further rise expected. There is a tendency on the part of wholesale houses toward heavier buying because of the rising market.

Philadelphia

Sales of groceries in this district have been increasing rapidly since the latter part of March. Demand has been helped by the constantly-widening employment and also by the higher prices which have been recorded for most grades of both staple and fancy goods. The best-selling items during the past two months have been staples, which are all-year sellers, canned fruits, and vegetables.

Prices have been definitely upward since April, and during June and July the advances have been particularly sharp. Wholesalers, who have been stocking heavily, report the largest volume of orders for Fall delivery from country districts that they have had in the last three years.

Portland, Ore.

The past quarter showed continued advances in price of staple groceries, led by the cereal products. Canned goods are moving well with last season's local pack virtually exhausted. Fruit packers expect to produce a normal volume during the current season, with prices definitely higher. Beer distribution has added materially to total sales volume of wholesalers, which is upward of 20 per cent over that of a year ago.

St. Louis

There is a decided feeling of optimism prevailing in the grocery trade in this district at the present time. Officials of numerous large grocery concerns express confidence in continued improvement during the remainder of the year. The sales of wholesale grocers for the first five months of this year are reported to have been about 12 per cent greater than for the same months last year. Stocks are indicated to be about 7 per cent larger than at the same period last year.

Retailers, generally, are understood to be replenishing their stocks. Selling prices approximately are 5 to 8 per cent higher than those of this time last year. Increased prices are indicated in practically all commodities.

Collection Ratio Improved

Frozen deposits, lack of employment, and decreased incomes are among the major causes retarding collections, although as a whole, they are much improved over those for the same period of 1932. This applies to both wholesalers and retailers. Based on the regular credit terms period, the established leading suppliers have about 119 per cent in receivables today, as compared with 133 per cent at this time last year, which is indicative of the marked improvement in collections. More stores now are going on a strictly cash basis.

While failures have continued numerous among wholesalers of groceries and produce during the first six months of the current year, there has been an encouraging decrease in the number of defaults in the retail division of the trade. The complete insolvency record of the grocery trade since 1929, including the first six months of 1933, as compiled by Dun & Bradstreet, Inc., shows:

Retailers

(Groceries, Meats, Fruits, Produce, and Delicatessen)

Year	Number	Liabilities
1929	2,051	$15,063,295
1930	2,154	19,635,758
1931	2,821	24,216,641
1932	3,039	27,762,731
1933*	1,226	9,549,433

Wholesalers

(Groceries and Produce)

Year	Number	Liabilities
1929	46	$1,666,000
1930	53	1,517,500
1931	138	2,615,076
1932	196	6,384,658
1933*	119	3,250,890

Canners

(Fruits and Vegetables)

Year	Number	Liabilities
1929	11	$663,700
1930	5	1,460,814
1931	23	1,896,576
1932	24	1,516,010
1933*	11	684,325

(*) January to June, inclusive.

SHOE INDUSTRY MAKING LARGEST GAIN IN YEARS

Abrupt upswing in employment since April is one of the major reasons for the increased demand for footwear, which has been running contrary to all seasonal trends. Merchandise of better quality now demanded. Quotations on all lines higher, with prices still rising. Collection status best in many years.

THE shoe industry provides the brightest sector in many of the leading trade centers throughout the country, as factories have been running full time since April 1 and have sufficient orders on hand to provide capacity operations until the end of September. There usually is a period of quietude during July and August, when inventories are taken and employees are given vacations. This Summer, however, the holiday will not be observed to any extent, as any let-down would make Fall shipping dates difficult to meet.

Distress sales and price cutting are disappearing and, in spite of the increased buying by retailers during the last two months, stocks still are below normal for this time of the year, both with wholesalers and retailers. Most all of the heavy price liquidation period has passed definitely, and retailers have about cleared out obsolete items. New merchandise is moving out about as rapidly as it is received. Everywhere in the trade expressions of confidence in the future have replaced the gloomy attitude which was in evidence during the opening months of the year, and the outlook generally is regarded as good to excellent.

Production at High Level

With the exception of April, when there was a slight seasonal recession, production has been steadily larger since January. With preliminary figures setting the May total at 33,500,000 pairs, which was in excess of the previous high record for May established in 1929, and conservative estimates placing June output at 37,000,000 pairs, production for the first six months of this year will reach 175,753,000 pairs, against 149,863,000 in 1932, or a gain of 17.3 per cent.

The output of 313,289,854 pairs of shoes in 1932 was only 0.9 per cent, or less than 1 per cent below that of 1931, when production was 316,239,809 pairs, and reflected largely the result of the spurt in the late months of the year. Although the production figures for the two years were nearly parallel, from the standpoint of profit 1932 was less satisfactory for manufacturers than 1931, as output was confined almost exclusively to the extremely cheap grades.

Sales Gaining Rapidly

The abrupt upswing of employment since April is one of the major reasons for the increased demand for footwear, which has been running contrary to all seasonal trends. Another reason for the high sales totals during the last three months is that in the 1932 production there was included a larger volume of low-cost shoes, which naturally could not give much service and required early replacement. That purchases of such shoes, however, were a necessity and not a choice has been proven by the attention now being given to shoes of better quality. In fact, sales made during the last two months reveal that shoddy footwear, sold purely because of its price appeal, is on the wane. One of the outstanding features of the current retail demand is the decided tendency on the part of consumers to get merchandise of a better grade.

Some of the leading retailers have increased the dollar volume of their sales about 20 per cent, as compared with the total for the first six months of 1932, with the gain growing wider each week. Sales of the 24,260 retail stores scattered through the United States are expected to total around $1,200,000,000 this year, as compared with $806,828,020, which was the figure set down by the Bureau of the Census for 1930.

Prices Still Rising

With wholesalers, shipments are ahead of those of last year by fully 20 per cent, while prices have advanced as much as 30 per cent. Some houses report that fully 95 per cent of the goods now being shipped was sold for less than the present replacement cost. There has been a moderate volume of repeat orders received, indicating an increase in consumers' demand. Wage advances and an increase in the cost of material for the coming season are expected to lift prices to a still higher level. Most of the merchandise for Fall already has been marked up 10 to 15 per cent, and additional advances are to be announced on some lines around September 1.

During the past three months, leather has advanced about 70 per cent. Some lines of the cheaper leather are having such a run that the supply is becoming depleted, and stocks of all lines are only moderate, when compared with the current demand. Tanners and manufacturers of leather are having the best business in the last three years.

Atlanta

Manufacturers report sharp advance in sales over the same period of last year with prices 10 to 15 per cent up. Demand is largely for shoes retailing at $4. The price trend is upward.

Retail trade is improving gradually with present demand largely for sport shoes. Merchandise for Fall is up 10 to 15 per cent, with further advances anticipated. Jobbers of findings report better business, with an increase in prices.

Baltimore

This industry is a bright spot in the local trade situation. Factories are running full time, and have enough orders in hand to continue throughout the Summer without the usual vacation period. Wholesale houses report shipments ahead of last year, and prices have advanced from 20 to 30 per cent, and they can sell goods faster than they can get shipments from the factories.

Tanners report slightly increased production, prices tending higher, collections good, and prospects better. Sales of shoe findings are up about 20 per cent, prices are rising, collections have improved since June 1, and the outlook is encouraging.

Binghamton

This is considered a large center for the manufacturing of shoes and this industry, for the past few months, has had large increases in its volume, as compared with a year ago. Plants, at the present time, are running to full capacity, with sufficient orders on hand for full production for at least three months to come. The best selling items continue to be the popular-priced shoes, with no changes likely in this respect.

Boston

Shoe manufacturers in Boston and vicinity report an increase in production from January 1, 1933, up to the present time of between 6 and 8 per cent, as compared with the corresponding period of 1932. Manufacturers are not soliciting future shoe orders pending more definite information regarding the probable price trend of leather and materials. Indications are for a material increase in prices for Fall styles of shoes.

Shoe jobbers also report an increase in dollar volume of sales of approximately 8 per cent during the current year to date, as compared with the same period of last year. They also report considerable improvement in collections. Jobbers of upper leather are running ahead of last year's dollar volume by a good margin.

Cincinnati

Shoe manufacturers now are in the midst of the Fall selling season and, for the most part, production of women's shoes has reached capacity proportions. Judging from the number of orders already booked for future delivery, plant operations should continue steadily until late in September, at least. Sales have shown a substantial increase during the second quarter of the year, by comparison with the volume handled in the same period of 1932.

Cleveland

The production of shoes during the first three months of the year was below the average for the same period of last year. Since April, there has been a sharp upturn in manufacturing, the net result being an increase in general production of 24 per cent above the same period of 1932.

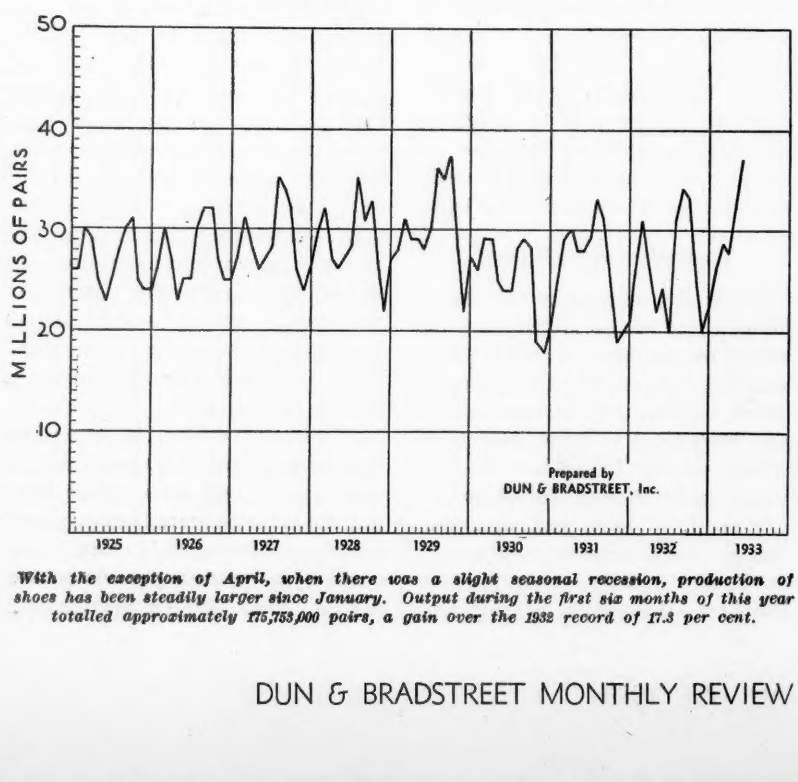
Dallas

The shoe and leather trade here since January has displayed some very unusual features. During the first three months, which usually represent the best season, sales dropped to one of the lowest points in the history of the local industry. Since about April, however, the situation has practically reversed itself, despite the fact that this is normally the dullest season.

Denver

The value of shoe production locally has increased 25 to 35 per cent, while the volume of output gained 15 per cent during June and July, as compared with the figures for the comparative months of 1932. While distribu-

MONTHLY PRODUCTION OF BOOTS AND SHOES



With the exception of April, when there was a slight seasonal recession, production of shoes has been steadily larger since January. Output during the first six months of this year totalled approximately 175,753,000 pairs, a gain over the 1932 record of 17.3 per cent.

tion has been general, the largest sales are being recorded in women's and children's shoes. Prices have advanced steadily since May, and the trend still is upward.

Newark

Manufacturers of men's high-grade shoes report that there has been a perceptible improvement in demand in the last three months. Factories are employing a larger number of men, and are working longer hours. Shoe jobbers also report an improvement, particularly in the demand for sport shoes.

The general tenor in this line seems to be more favorable than for two or three years past. Tanners and manufacturers of leather are having the best business for the past three years; prices have a slightly upward tendency, and volume is larger than a year ago.

Philadelphiia

Orders being received by local manufacturers are averaging about 20 per cent in excess of the volume booked last year at this period, with output in many factories fairly steady at 5,000 pairs weekly, while others are up to 3,500 pairs a day. Production, as a whole, during the first six months of the year was about 50 per cent above that for the first half of 1932.

Orders have bulked largest for shoes to retail at $2.50 a pair. The price trend has been upward since May, and sharp advances are expected to be made before September 1.

Pittsfield

Production of units is moderately ahead of last year, both in cheaper grades and better-priced lines, the latter showing more activity than in some time, although still well below normal. Dollar volume is likewise improved, due partially to price stiffening.

Men's shoes continue to lead, with improvement noted in women's, partly due to increase in sportswear items. Current trend of prices is upward, with further immediate increases anticipated, and a marked indication of taking orders from jobbers and retailers, subject to prices current at delivery.

Richmond

Shoe factories are operating at capacity, with overtime work in prospect. Prices have advanced steadily during the past sixty days. The principal demand is for women's white shoes and the cheaper grades of men's shoes. The outlook is good, with indications of an expanding trade right to the end of the year.

St. Louis

There is a decided feeling of optimism prevailing in the shoe and leather market in this district at the present time. As St. Louis is considered important from the standpoint of the shoe and leather industry, this may be significant.

Particularly in the past two months have officials of the major shoe manufacturing concerns expressed confidence in future conditions. The sales this year are reported to have been about 12 per cent greater than for the same months of last year. Stocks are indicated to be about 36 per cent larger. Retailers generally are reported to be replenishing their depleted stocks.

Selling prices approximately are 5 per cent higher, with further advances in prospect, due to the gradual advance in the leather and hide market. Leading shoe concerns report an increase in their dollar volume of about 10 per cent, as compared with the first six months of 1932. Unit sales also are advanced approximately 5 per cent.

Syracuse

For the past three months shoe manufacturers have maintained fairly steady production at about 85 per cent of capacity. Heavy business has been booked for the Fall run, and orders were placed earlier than in former years. General prices have advanced from 5 to 10 per cent, depending on the leathers involved, with buyers offering no resistance to the higher quotations. The pressure for deliveries is becoming more insistent.

Failure Trend Downward

With wholesalers and manufacturers, collections are satisfactory, as a position now has been reached where they can pick their customers and not urge slow payers to buy. The trend of failures has been downward thus far this year. The complete insolvency record of the shoe and leather trades since 1927, including the first five months of 1933, as compiled by Dun & Bradstreet, Inc., shows:

Manufacturers of Leather

Year	Number	Liabilities
1927	2	$112,100
1928	2	40,043
1929	6	222,988
1930	8	407,917
1931	3	287,610
1932	9	524,406
1933*	2	53.714

Manufacturers of Leather Goods

Year	Number	Liabilities
1927	12	$146,800
1928	20	334,800
1929	25	398,800
1930	18	210,100
1931	27	2,145,459
1932	35	462,047
1933*	21	836,159

Manufacturers of Shoes

Year	Number	Liabilities
1927	85	$5,059,582
1928	44	5,258,546
1929	11	384,429
1930	38	1,843,901
1931	67	2,075,435
1932	43	8,290,166
1933*	18	602,770

Wholesalers and Retailers of Leather

Year	Number	Liabilities
1927	14	$365,934
1928	14	158,100
1929	1	6,000
1930	18	248,100
1931	26	416,616
1932	18	779,557
1933*	5	41,609

Wholesalers and Retailers of Leather Goods

Year	Number	Liabilities
1927	16	$122,332
1928	23	257,508
1929	33	489,736
1930	36	1,482,300
1931	31	346,032
1932	27	667,565
1933*	30	269.430

Wholesalers and Retailers of Shoes

Year	Number	Liabilities
1927	488	$5,944,172
1928	500	5,191,396
1929	453	5,452,097
1930	543	5,655,521
1931	762	9,875,768
1932	757	9,693,912
1933*	293	3,686,183

(*) January to May, inclusive.

THE BUSINESS MONTH REPORTED

1st Federal Reserve District

POPULATION—7,834,000; PER CENT TOTAL U. S.—6.32

Industrial activity continued to advance above level of July last year; many major lines operated at capacity, with a substantial future business in hand. New England shoe production during first six months of year 7 per cent larger than in 1932. Woolen and cotton mill activity rose to highest rate on record. Deposits of member banks of the Federal Reserve Bank of Boston totalled $798,000,000 on July 19, the largest since the Fall of 1932. Recovery in building industry more marked.

★

2nd Federal Reserve District

POPULATION—16,343,000; PER CENT TOTAL U. S.—13.12

Commercial expansion more marked than in June, with factory employment higher and wage rises general. Buying in wholesale markets more extended, although activity was checked somewhat by inability to quote prices on future commitments and the uncertainty of deliveries. Trading on the New York Stock Exchange the largest since October 30, 1929, on the day preceding mid-month break. Commodity markets steadier after reaction. Bank clearings touched year's high.

★

3rd Federal Reserve District

POPULATION—7,619,000; PER CENT TOTAL U. S.—6.14

July retail volume above that of last year, with automobile sales higher than in either May or June. Expansion in Fall orders particularly pronounced in men's clothing division. Delivery difficulties appearing in some trades. More workers added by manufacturers of textiles, shoes, glass, automobiles, furniture and metal products. Movement of petroleum products broader; output of bituminous coal 65 per cent higher than a year ago. Number and amount of bank accounts gained.

★

4th Federal Reserve District

POPULATION—11,407,000; PER CENT TOTAL U. S.—9.19

General trade has continued to expand, with prices rising steadily; no indication of the usual Summer lull. Sharp increase in retail sales attributed to disbursement of $57,000,000 as initial liquidating dividend to depositors of two liquidating banks. Wholesale trade particularly active in wearing apparel, groceries, automobile accessories, and shoes. Steel orders sufficient to insure current operations until Fall. Lake traffic above last year's. Bank facilities still curtailed.

★

5th Federal Reserve District

POPULATION—11,073,000; PER CENT TOTAL U. S.—8.92

Additional workers taken on by manufacturers of tobacco products, furniture, hardware, and railroad supplies. Wage increases granted to thousands of employees in tobacco factories and railroad shops. Cotton consumption for district only slightly under total for entire nation last year at this time. Retail sales well above last July's level. Gain in wholesale orders reflects betterment in rural sections. Sharp increase in carloadings. Building operations higher for third consecutive month.

★

6th Federal Reserve District

POPULATION—11,339,000; PER CENT TOTAL U. S.—9.14

Improvement in practically all major lines of trade. Retail sales 25 per cent higher than in July a year ago, with the gain in wholesale distributive totals even higher, despite uncertainty resulting from lack of specific details regarding the working and salary codes. Pay rolls the largest in nearly two years; hundreds re-employed during month. Rising prices have given encouragement to farming districts. Lumber orders rose sharply. Building material plants worked overtime.

BY FEDERAL RESERVE DISTRICTS

7th Federal Reserve District

POPULATION—18,606,000; PER CENT TOTAL U. S.—15.00

Chicago is brightest spot in country's retail trade, because of Century of Progress; turnover in dollars far above level of last year. Further gains reported in all branches of wholesale buying. Manufacturing activities continued to expand with many thousands of new employees engaged. Demand for raw materials slackened by commodity market reaction. Volume of lumber business larger than in June. Pay advances added $1,000,000 monthly to buying power of steel workers.

✶

8th Federal Reserve District

POPULATION—9,676,000; PER CENT TOTAL U. S.—7.82

Expansion of trade continued in all directions. Gain in orders particularly marked for shoes, ready-to-wear clothing, millinery, iron and steel products, machinery, and equipment. Unemployment still widespread. Demand for lead and zinc maintained at high level. Brewers unable to meet demand, in spite of capacity operations. Output of flour slackened after break in wheat market. Gain in bank clearings for entire district; carloadings higher. Interest in real estate broadened.

✶

9th Federal Reserve District

POPULATION—5,370,000; PER CENT TOTAL U. S.—4.35

Continued drought exerted detrimental effect on general business in Northwest. Yield of some crops may run 50 per cent below normal. Drop in grain prices decreased carloading figures. Flour shipments declined toward close of month. Response to Summer clearance sales unsatisfactory. Wholesale buying continued unabated, with more interest apparent in furniture, housefurnishings, and hardware. Manufacturing held above June level. Farm implement orders up.

✶

10th Federal Reserve District

POPULATION—7,967,000; PER CENT TOTAL U. S.—6.42

Retail demand revealed no evidence of the usual Summer slump, as buying power increased steadily during month. Wholesale markets more active than in June; liberal orders placed for dry goods, women's wear, hardware, and groceries. Flour production declined, following imposition of processing tax, after reaching largest volume since 1931. Beneficial effects of industrial codes already apparent in employment gains. Reorganization of one bank liberated $12,000,000 to depositors.

✶

11th Federal Reserve District

POPULATION—7,078,000; PER CENT TOTAL U. S.—5.72

Favorable trend of business continued, but some industries marked time, awaiting adoption of codes. More people found employment, especially in the lumber industry, with some upward movement of general wage scales. Selling of old cotton has been on a fairly free scale. No Summer let-down thus far in retail demand; sales expected to be stimulated when some $40,000,000 is received by farmers for cotton acreage abandonment. Wholesale orders exceeded last year's.

✶

12th Federal Reserve District

POPULATION—9,758,000; PER CENT TOTAL U. S.—7.86

Some weak spots appeared in retail trade toward end of the month, but buying wave has spread, as more firms have given wage increases. Activity in wholesale lines advanced steadily, with deliveries slowed down because of heavy volume. Almost impossible to obtain spot delivery on any line of merchandise. Work on the San Francisco-Oakland and Golden Gate bridges will provide many with employment for several years. Canned fruit stocks low. Lumber orders declined.

JULY FAILURES 45.3 PER CENT BELOW LAST YEAR'S

BUSINESS failures in July were greatly reduced in number. It has been many years since the insolvency record has been at so low a point, even for a Midsummer month, when some recession in the number of mercantile defaults may be expected. For the month just closed there were 1,421 insolvencies. This compares with 1,648 in the United States in June, and 2,596 in July of last year. The figures for the first seven months of the last three years are given below:

Monthly Failure Record

	Number 1933	Number 1932	Per Cent	1931
July	1,421	2,596	—45.3	1,983
June	1,648	2,688	—38.7	1,993
May	1,909	2,788	—31.5	2,248
April	1,921	2,816	—31.8	2,383
March	1,948	2,951	—34.0	2,604
February ..	2,378	2,732	—13.0	2,563
January ..	2,919	3,458	—15.6	3,316
Total ...	14,144	20,029	—29.4	17,090

The improvement in this report for 1933 has been unusually marked. The decline in the number of failures from January of this year has been very much greater than in either of the two preceding years—in fact there are few, if any, records where such a difference is shown as appears in this year's report. July failures were less than one-half in number of those reported in January last. The reduction a year ago for the corresponding period was slightly over one-third and only a little under that ratio in 1931. The betterment this year has seldom been equalled.

Dun's Insolvency Index, which is computed on the ratio of the number of defaults each month to the total of business concerns in the United States, indicates the improvement in a very notable way. For July, 1933, the Insolvency Index was 90.4, the lowest for July in a great many years. It compares with 99.9 for June, and with 156.3 for July last year, the drop from the latter figure representing a decline of 42.2 per cent.

The decline in the Insolvency Index since February of this year has been very marked. The Index for June and July was below that for the same period covering the five-year average of 1925-1929, inclusive, which may be considered a normal figure for the past decade. The reduction from January to July, covering the last-mentioned record, was 43.8 points.

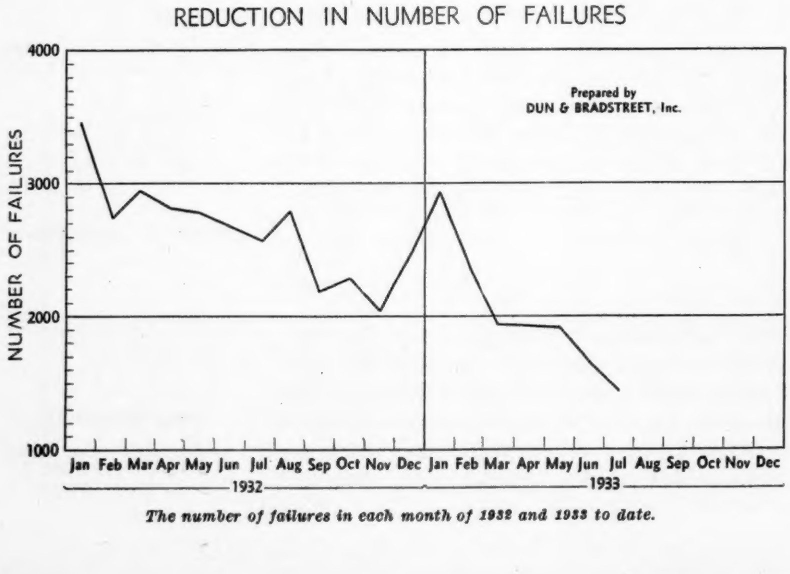
Dun's Insolvency Index

	Monthly 1933	Monthly 1932	Monthly 1931	5-Year Average 1925-29	5-Year Average Ratio	Monthly 1922	Monthly 1921
July	90.4	156.3	112.1	95.7	109.7	110.4	93.6
June	99.9	155.2	112.4	100.8	115.6	105.4	82.7
May	113.9	162.0	131.7	104.5	119.8	124.4	88.5
April	115.3	158.0	134.1	107.4	123.0	137.3	93.8
March	111.4	159.7	146.0	110.4	126.6	144.8	98.1
February	159.0	165.9	169.0	128.2	147.0	168.7	123.4
January	179.4	201.8	185.2	139.5	160.0	173.7	126.2
	1932	1931	1930			1921	1920
December	145.3	158.8	140.7	112.0	128.3	159.6	114.0
November	130.9	141.2	127.0	107.1	122.8	132.8	112.3
October	137.8	134.7	117.0	90.2	103.8	109.8	108.8
September	132.1	114.0	112.9	87.2	100.0	94.5	30.3
August	155.5	111.3	105.7	90.9	104.2	93.4	29.4
Year	154.5	136.7	125.0	106.3	.....	125.4	114.1

Monthly Report

	Number 1933	Number 1932	Number 1931	Liabilities 1933
July	1,421	2,596	1,983	$27,481,103
June	1,648	2,688	1,993	$35,344,909
May	1,909	2,788	2,248	47,971,578
April	1,921	2,816	2,383	51,097,384
2nd Quarter...	5,478	8,292	6,624	$184,418,866
March	1,948	2,951	2,604	$48,500,212
February	2,378	2,732	2,563	65,576,068
January	2,919	3,458	3,316	79,100,602
1st Quarter...	7,245	9,141	8,483	$193,176,882
	1932	1931	1930	1932
December	2,469	2,758	2,525	$64,188,643
November	2,073	2,195	2,031	53,621,127
October	2,273	2,362	2,124	52,869,974
4th Quarter...	6,815	7,315	6,680	$170,679,744
September	2,182	1,936	1,963	$56,127,684
August	2,796	1.944	1,913	77,031,212
July	2,596	1,988	2,028	87,189,689
3rd Quarter...	7,574	5,868	5,904	$220,348,485
June	2,688	1,993	2,026	$76,931,452
May	2,788	2,248	2,179	83,763,521
April	2,816	2,383	2,198	101,068,693
2nd Quarter...	8,292	6,624	6,403	$261,763,666
March	2,951	2,604	2,347	$93,760,311
February	2,732	2,563	2,262	84,900,106
January	3,458	3,316	2,759	96,860,205
1st Quarter...	9,141	8,483	7,368	$275,520,622

REDUCTION IN NUMBER OF FAILURES



The number of failures in each month of 1932 and 1933 to date.

This year the reduction for the first six months has been nearly 100 points. In 1932 it was 44.5 points. No other record of failures shows so great a change in such a short period of time.

Liabilities Also Very Small

As to liabilities, the amount reported for July was considerably lower than that for any month for many years. The total for July this year of $27,481,103 which compares with $35,344,909 for June and $87,189,639 for July, 1932. The amount has been considerably higher than twice the July figures for many of the months in the past six or eight years. Going back to the opening of 1932, there were only three months, with the exception of July this year, when the liabilities were below $50,000,000.

Failures by Liability Groups; July, 1933

	Number	Liabilities
$5,000 and Under	514	$1,320,543
$5,000 to $25,000	665	7,332,983
$25,000 to $100,000	182	8,221,538
$100,000 and Over	60	10,606,039
Total	1,421	$27,481,103

By Geographical Sections

The improvement was quite general in July throughout the United States. The comparison, in respect to the geographical divisions, covers the figures of July, 1932, and where the reduction is so great as it has been between the insolvency record for the past month and that of a year ago, changes are quite easily traced.

A notable reduction in the number of business defaults for July this year, appears quite generally in the East, in the South and for the greater part of the Western States. There are three of the twelve Federal Reserve Districts where the number of insolvencies in July of this year, was less than one-half the number that occurred in July, 1932. In view of the circumstances governing this comparison, such a reduction is not to be wondered at. For these same three Federal Reserve Districts, the liabilities reported were also very much less than one-half the amount reported a year ago.

Failures by Federal Reserve Districts for July

	Number		Liabilities	
	1933	1932	1933	1932
Boston (1)	138	321	$1,967,928	$7,131,918
New York (2)	333	606	8,786,025	26,847,583
Philadelphia (3)	63	163	1,347,034	5,562,218
Cleveland (4)	110	203	2,667,563	7,877,028
Richmond (5)	102	173	1,262,789	4,545,602
Atlanta (6)	58	128	657,912	6,218,234
Chicago (7)	180	331	3,888,186	14,242,478
St. Louis (8)	60	109	1,091,513	2,093,558
Minneapolis (9)	62	71	1,133,996	903,822
Kansas City (10)	75	141	605,334	3,639,171
Dallas (11)	42	72	798,981	2,197,484
San Francisco (12)	198	278	3,273,842	5,930,543
United States	1,421	2,596	$27,481,103	$87,189,639

	Manufacturing		Trading		Other Commercial	
Districts	No.	Liabilities	No.	Liabilities	No.	Liabilities
First	45	$713,192	84	$1,011,265	9	$243,471
Second	97	2,969,908	189	2,382,507	47	3,433,610
Third	15	342,206	44	888,727	4	116,101
Fourth	21	801,727	74	1,222,888	15	642,948
Fifth	17	253,748	80	964,976	5	44,065
Sixth	8	161,380	44	435,320	6	61,212
Seventh	53	1,435,373	116	2,186,950	11	265,863
Eighth	8	282,931	51	792,154	1	16,428
Ninth	6	67,623	54	1,053,566	2	12,807
Tenth	9	125,945	62	454,273	4	25,116
Eleventh	5	41,159	37	757,822	..	......
Twelfth	41	1,086,570	141	1,394,039	16	793,233
United States	325	$8,281,762	976	$13,544,487	120	$5,654,854

Large and Small Failures—July

	Total		$100,000 & More		Under $100,000		
	No.	Liabilities	No.	Liabilities	No.	Liabilities	Average
MANUFACTURING							
1933	325	$8,281,762	23	$4,133,222	302	$4,148,540	$13,737
1932	622	37,228,284	62	26,743,401	560	10,484,883	18,723
1931	520	20,586,117	43	13,107,446	482	7,478,671	15,516
1930	425	13,368,613	27	8,040,323	398	5,328,290	15,900
1929	461	12,767,455	25	6,391,530	436	6,375,925	14,624
1928	450	12,932,132	30	7,652,859	420	5,279,273	12,570
1927	448	16,742,565	28	10,517,891	420	6,224,674	14,821
1926	396	11,167,484	30	6,009,398	366	5,158,086	14,093
1925	418	10,931,798	24	6,017,900	394	4,913,898	12,472
1924	416	20,022,429	36	14,149,800	380	5,872,629	15,454
1923	350	19,138,803	32	14,192,013	318	4,946,790	15,556
1922	467	14,794,771	27	7,660,597	440	7,134,174	16,214
1921	342	23,983,572	32	18,747,880	310	5,235,692	16,884
TRADING							
1933	976	$13,544,487	16	$2,641,783	960	$10,902,704	$11,357
1932	1,790	34,918,899	64	13,791,700	1,726	21,127,199	12,241
1931	1,322	28,091,055	37	15,232,407	1,284	12,858,648	10,015
1930	1,481	21,571,609	23	6,258,805	1,458	15,312,804	10,503
1929	1,190	14,605,398	16	3,113,443	1,174	11,491,955	9,789
1928	1,161	12,899,466	11	2,128,800	1,150	10,770,666	9,366
1927	1,187	16,832,346	13	3,883,426	1,174	12,948,920	11,030
1926	1,122	14,614,282	17	3,939,300	1,105	10,674,982	9,661
1925	1,184	15,961,174	14	4,153,000	1,170	11,808,174	10,092
1924	1,124	12,420,599	14	2,340,919	1,110	10,079,680	9,081
1923	828	10,701,300	14	2,853,307	812	7,847,997	9,665
1922	1,218	17,225,857	22	4,299,448	1,196	12,026,409	10,808
1921	1,021	14,438,577	17	2,553,531	1,004	11,885,046	11,838
ALL COMMERCIAL							
1933	1,421	$27,481,103	60	$10,606,039	1,361	$16,875,064	$12,399
1932	2,596	87,189,639	160	54,235,101	2,436	32,954,538	13,528
1931	1,983	60,997,853	100	37,125,250	1,883	23,872,603	12,678
1930	2,028	39,826,417	58	16,465,398	1,970	23,361,019	11,860
1929	1,752	32,425,519	51	13,126,616	1,701	19,298,903	11,346
1928	1,723	29,586,633	49	11,989,470	1,674	17,597,163	10,512
1927	1,756	43,149,974	57	21,964,476	1,699	21,185,498	12,470
1926	1,605	29,680,009	54	12,909,741	1,551	16,770,268	10,813
1925	1,685	34,505,191	42	16,810,000	1,643	17,695,191	10,770
1924	1,615	36,813,238	54	19,715,819	1,561	17,097,419	10,953
1923	1,231	35,721,188	56	21,991,166	1,175	13,730,022	11,685
1922	1,753	40,010,313	54	18,759,230	1,699	21,251,083	12,508
1921	1,444	42,774,153	56	23,175,650	1,388	19,598,503	14,120

The three districts mentioned above include the Boston District, which covered practically all of New England; the Philadelphia District, mainly Eastern Pennsylvania, and the Atlanta District, which borders the South Atlantic and Eastern Gulf States. For each of these three sections the reduction was very large.

For the New York District and that including Chicago, the number of failures in July this year and the liabilities were very much less than they were in that month a year ago. In the two sections last mentioned fully 36 per cent of all business defaults in the United States occurred in July. The reduction in the Cleveland District was also quite large, as well as in that for Richmond. The St. Louis, Kansas City, Dallas and San Francisco Districts show fewer failures this year and smaller liabilities. For the Minneapolis District, there was a slight reduction in the number of defaults in July of this year, but the liabilities reported were larger than those of July, 1932.

The Large Failures

The large failures in July were fewer in number than for that month in the preceding two years, and the liabilities were very much less than for many years past. There were only 60 defaults last month where the liabilities in each instance were below $100,000, and the total of indebtedness for these 60 failures was only $10,606,039. In July, 1932, 160 similar defaults were recorded involving in the aggregate $54,235,101. The reduction shown here for the current year was very great, and explains in large part the difference as to the amount recorded for the record this year and last.

Relatively the best showing, so far as the record of failures for the month of July is concerned, in the comparison with the heavy totals covering the month of July, 1932, is for the manufacturing division. In all three divisions into which the record is separated, a large reduction is

Failures by States—June and July, 1933

	Number		Liabilities	
New England	July	June	July	June
Maine	10	14	$178,665	$236,436
New Hampshire	9	8	145,382	146,086
Vermont	4	5	31,721	247,394
Massachusetts	75	64	1,327,540	1,293,474
Connecticut	35	44	291,309	547,723
Rhode Island	13	19	50,395	75,571
Total	146	154	$2,025,012	$2,546,684
Middle Atlantic				
New York	291	349	$7,882,552	$8,471,671
New Jersey	40	73	1,176,418	1,872,632
Pennsylvania	77	101	1,486,711	2,871,739
Totol	408	523	$10,545,681	$13,216,042
South Atlantic				
Maryland	34	25	$299,707	$520,583
Delaware	..	3	......	213,010
Dist. of Columbia	6	4	89,667	262,359
Virginia	16	15	104,347	67,162
West Virginia	22	27	261,074	201,735
North Carolina	25	17	531,604	395,918
South Carolina	1	2	13,890	101,900
Georgia	11	13	106,832	94,986
Florida	13	14	100,231	115,070
Total	128	120	$1,507,352	$1,972,723
South Central				
Kentucky	11	17	$211,081	$228,601
Tennessee	20	37	319,995	1,022,357
Alabama	12	23	122,374	574,484
Mississippi	12	10	265,328	240,000
Arkansas	14	10	430,987	151,229
Oklahoma	13	22	108,853	193,521
Louisiana	6	9	140,737	377,586
Texas	32	50	539,422	746,180
Total	120	178	$2,138,777	$3,533,958
Central East				
Ohio	81	87	$1,648,910	$2,274,186
Indiana	28	27	597,512	819,786
Illinois	95	107	1,790,487	3,896,849
Michigan	30	32	985,611	625,812
Wisconsin	33	48	972,015	1,294,798
Total	267	301	$5,994,535	$8,911,431
Central West				
Minnesota	34	37	$636,737	$800,241
Iowa	17	18	381,782	105,277
Missouri	36	39	387,524	427,475
North Dakota	4	2	24,037	48,751
South Dakota	7	6	25,250	160,935
Nebraska	20	30	184,479	219,664
Kansas	11	16	71,846	122,685
Total	129	148	$1,711,655	$1,885,028
Western				
Montana	6	6	$30,238	$18,215
Idaho	7	2	58,821	23,435
Wyoming	..	3	......	9,700
Colorado	16	18	140,565	267,861
New Mexico	5	5	124,861	56,896
Arizona	2	2	10,395	17,500
Utah	16	9	118,300	56,900
Nevada	1	2	2,521	101,300
Total	53	47	$485,701	$551,807
Pacific				
Washington	22	41	$378,019	$767,405
Oregon	31	17	285,070	69,590
California	117	119	2,409,301	1,890,241
Total	170	177	$3,072,390	$2,727,236
UNITED STATES				
Total	1,421	1,648	$27,481,103	$35,344,909

Failures by Divisions of Industry—July, 1933

	Number		Liabilities	
Manufacturers	July, 1933	June, 1933	July, 1933	June, 1933
Foods	27	21	$569,451	$647,938
Milling & Bakers	27	31	200,760	316,234
Chemicals & Drugs	13	16	237,384	292,515
Clothing & Furnishings	28	24	565,703	777,320
Textiles, (Other)	18	19	199,079	860,139
Hats, Gloves & Furs	11	13	91,033	94,495
Leather & Shoes	11	11	558,687	310,590
Rubber Goods	..	1	......	16,181
Tobacco & Beverages	6	4	78,188	55,944
Furniture	3	11	385,000	575,080
Lumber & Building Lines	27	29	1,900,539	1,590,866
Machinery	16	16	554,236	750,636
Transportation Equipment	12	10	57,128	488,968
Iron & Steel	36	53	681,918	1,589,557
Non-Ferrous Metals	16	13	147,597	175,878
Petroleum & Coal	4	5	118,924	115,771
Printing & Publishing	20	32	420,264	678,368
Paper & Paper Products	2	7	133,000	601,046
Stone, Clay & Glass	11	17	435,929	1,118,189
All Other	37	29	946,942	1,991,594
Total Manufacturers	325	362	$8,281,762	$13,047,309
Retail Dealers				
General Stores	36	46	$446,063	$586,544
Groceries, Meat & Fish	243	260	2,048,867	2,338,141
Clothing & Furnishings	84	135	804,590	1,832,389
Dry Goods & Dept. Stores	54	58	856,722	747,810
Hats, Gloves & Furs	17	14	105,145	115,492
Leather & Shoes	32	39	445,331	286,961
Furniture	21	22	297,555	339,890
Lumber & Bldg. Materials	6	11	193,311	418,525
Chemicals & Drugs	96	94	865,622	1,013,209
Tobacco, Billiards & Bev.	14	16	89,866	70,973
Paper & Paper Products	7	10	86,632	128,084
Books & Periodicals	5	6	36,231	112,389
Rubber Goods	6	1	46,232	1,500
Jewelry & Clocks	17	44	236,605	805,186
Machinery	22	29	233,746	399,498
Non-Ferrous Metals	2	..	12,953	......
Hardware & Tools	38	36	666,612	300,121
Iron & Steel	4	12	100,973	321,920
Hotels & Restaurants	73	70	1,113,086	1,387,805
Petroleum & Coal	18	39	419,182	369,713
Stone, Clay & Glass	5	8	36,831	262,233
Transportation Equipment	34	36	811,777	873,519
All Other	46	60	690,543	852,067
Total Retail Dealers	880	1,046	$10,644,475	$13,563,969
Wholesale Dealers				
Books & Periodicals	1	..	$12,000	......
Chemicals & Drugs	4	3	16,558	$90,000
Furniture	..	1	......	25,000
Lumber & Bldg. Materials	6	3	349,862	392,708
Grocery & Meats	34	41	719,579	1,266,611
Iron & Steel	9	5	260,147	123,942
Leather & Shoes	4	8	25,926	127,799
Machinery	5	5	97,916	379,000
Non-Ferrous Metals	3	4	132,000	199,000
Paper & Paper Products	6	1	134,166	43,481
Petroleum & Coal	6	4	110,106	91,924
Rubber Goods	..	..	......	......
Stone, Clay & Glass	..	3	......	97,262
Clothing & Furnishings	1	4	20,000	69,001
Dry Goods	4	4	32,800	39,048
Transportation Equipment	5	7	134,283	180,988
All Other	8	14	854,669	1,187,525
Total Wholesale Dealers	96	107	$2,900,012	$4,313,289
Agents & Brokers				
Advertising	3	4	$10,513	$64,472
Brokers (Investment)	2	4	389,525	389,511
Cleaners	7	8	115,059	91,081
Garages	18	24	435,653	205,498
Hauling	15	8	190,011	145,687
Insurance	5	3	302,120	161,149
Laundries	8	10	173,919	157,875
Real Estate	34	28	2,581,594	1,823,256
Taxicab Companies	1	4	12,000	226,500
Undertakers	3	1	59,723	15,286
All Other	24	39	1,384,737	1,140,027
Total Agents & Brokers	120	133	$5,654,854	$4,420,342
Total United States	1,421	1,648	$27,481,103	$35,344,909
Total 1932	2,596	2,688	$87,189 639	$76,931,452

shown for that month this year.

For the trading class failures are always very much more numerous than for the other two sections. Both as to number and liabilities, however, the decline from a year ago, for the trading class is hardly as good as that shown for the manufacturing defaults. To some extent the same comment applies to the third division, which relates to agents and brokers.

	July Number 1933	Ratio	July Number 1932	Ratio
Manufacturing	325	22.9	622	24.0
Trading:				
Retail	880	62.6	......	....
Wholesale	96	6.8	......	....
Total Trading	976	69.4	1,790	68.9
Agents & Brokers	120	7.7	184	7.1
Total	1,421	100.0	2,596	100.0

	July Liabilities 1933 (000 omitted)	Ratio	July Liabilities 1932 (000 omitted)	Ratio
Manufacturing	$8,282	30.1	$37,228	42.7
Trading:				
Retail	10,644	39.8	......	....
Wholesale	2,900	9.5	......	....
Total Trading	$13,544	49.3	$34,919	40.0
Agents & Brokers	5,655	20.6	15,042	17.3
Total	$27,481	100.0	$87,190	100.0

Failures in manufacturing lines number 325, involving $8,281,762 of liabilities; in the trading division, there were 976 defaults for $13,544,487 and for agents and brokers, 120 owing a total of $5,654,854. In July of last year, the number of manufacturing defaults was 622 for $37,228,284 of indebtedness; in trading lines, 1,790 owing $34,918,899; and for agents and brokers, 184 with liabilities of $15,042,456.

In all comparisons, covering the past few months, the reduction this year is very marked compared with the preceding year. The detailed statement by branches of business for July and June this year, makes an instructive comparison. For the manufacturing class, fewer failures occurred in July than in June, and the liabilities were for a much smaller total for the month just closed. The improvement was very marked for a number of important divisions. Among the latter may be mentioned the large iron and steel class; also, printing and publishing.

JULY BANK CLEARINGS TOUCHED YEAR'S HIGH

BANK clearings in July were in excess of those of any preceding month in considerably over a year. They were larger than for July, 1932, by 26.2 per cent. There was, moreover, an increase for the past month over the bank clearings for January of this year of 22.7 per cent. The last mentioned fact is exceptional. It serves to emphasize, however, the great change that recently has taken place in economic conditions.

The improvement over a year ago has been very marked. In July of last year, bank clearings showed something more than the normal decline below those for January. The reduction for the period covering those six months, amounted to 26.6 per cent. The loss during that time in every year closely approaches those figures.

An analysis of the July record for this year shows that bank clearings at New York City were exceedingly large. There also were much heavier amounts at Boston, Chicago, and at some of the other key cities of the country. In great measure, these large amounts reflected the exceptional activity in most of the speculative markets this year. In sales of stocks alone, on the New York Stock Exchange, the increase in trading in July this year over that month a year ago was no less than 421.8 per cent in the number of shares sold. Furthermore, the increase in bond sales was 57.6 per cent in amount. These transactions in July this year involved enormously heavier payments through the banks for that month. In June, where the increases were not so large, the clearings also reflected heavier totals in the speculative markets.

Average Daily Bank Clearings

	1938	1932	Per Cent
July	$899,046,000	$712,181,000	+26.2
June	823,931,000	748,633,000	+10.1
May	723,052,000	729,342,000	— 9.0
April	616,997,000	794,652,000	—22.4
First Quar.	677,081,000	923,396,000	—26.7

Another factor having a bearing on the course of bank clearings is the increased cost of many commodities this year in the markets of the United States. In this matter an important comparison also shows a markedly higher record. With the increase in bank clearings in July this year, over those for that month of last year, it appears that the cost of a great variety of raw materials in the markets of the United States would show an increase of nearly 20.0 per cent.

This latter calculation is based on the record of Dun's Commodity Price Index. On July 1, 1933, the latter figure was $149.178, compared with $125.314 on July 1, 1932. In other words, the exchange of a large number of commodities on that date this year costing in the markets of this country $895,-068,000 would have cost on July 1, 1932, $751,884,000.

The same bill of goods is included in both instances and the calculation is made on the basis of wholesale prices. The figures are approximate, and the record is computed close to the total for average daily bank clearings in the United States for the month of July this year. It is interesting to note that the total for July 1, 1933, is somewhat below average bank clearings for that month this year, whereas a year ago, the amount was considerably higher than the report of bank clearings.

What significance this fact may have cannot be determined. It may be assumed that with a much larger total to be included in the aggregate of bank clearings for July, 1933, to cover the enormously heavier speculative trading, which apparently is justified, the amount of bank clearings, on account of trading in the commodity markets at the higher prices prevailing this year, might show some reduction. Such a conclusion may not indicate actual conditions, as there is no way in which any record can be compiled.

WEEKLY BANK CLEARINGS COVERING THE PAST MONTH

	Week Aug. 2, 1933	Per Cent	Week July 27, 1933	Per Cent	Week July 20, 1933	Per Cent	Week July 12, 1933	Per Cent
Boston	$200,300	— 0.9	$221,691	+22.5	$258,182	+38.9	$227,661	+26.4
Philadelphia	252,000	— 3.4	243,000	+ 1.8	278,000	+ 2.7	249,000	— 8.8
Baltimore	46,169	—37.1	37,460	—22.8	45,869	—14.8	43,204	—24.4
Pittsburgh	94,078	+16.8	81,321	+19.5	87,017	+15.1	82,643	+ 6.4
Buffalo	28,200	+ 5.2	26,600	+29.8	27,800	+ 5.5	24,800	— 3.1
Chicago	236,000	+14.7	263,000	+55.1	241,100	+29.2	233,000	+22.3
Detroit	51,493	—17.8	51,120	—10.7	49,067	—18.9	39,648	—35.3
Cleveland	68,902	+11.7	62,994	— 8.2	60,149	—12.9	51,785	—23.5
Cincinnati	39,593	+ 4.1	44,120	+ 2.2	44,681	+ 2.6	39,232	— 5.5
St. Louis	59,500	+ 4.8	63,700	+33.0	71,400	+21.8	65,900	+17.1
Kansas City	70,593	+16.7	74,061	+23.0	75,597	+ 4.6	69,814	+ 1.9
Omaha	21,680	+16.2	23,093	+18.0	24,358	+ 5.7	22,636	+ 0.1
Minneapolis	69,845	+63.1	73,896	+68.0	67,757	+23.3	59,274	+10.6
Richmond	22,393	— 0.2	25,035	+25.5	24,687	+ 2.9	24,048	+ 4.6
Atlanta	27,900	+15.7	28,400	+27.4	31,500	+11.7	31,400	+22.2
Louisville	17,103	+15.7	18,991	+28.9	21,516	+11.9	20,974	+ 7.4
Dallas	22,675	+ 7.9	26,665	+32.2	28,090	+ 4.2	26,049	+ 8.1
San Francisco	94,700	+ 5.0	97,900	+14.4	106,400	+ 8.6	104,700	+ 7.7
Portland	17,787	+14.1	17,669	+14.1	19,705	+ 2.3	18,707	+ 5.5
Seattle	19,860	—14.5	20,678	+ 0.1	22,148	— 1.1	20,836	—13.3
Total	$1,460,773	+ 3.9	$1,501,394	+18.2	$1,577,023	+12.0	$1,454,711	+ 3.2
New York	3,437,315	— 0.3	4,022,030	+81.3	3,988,956	+44.5	3,897,553	+43.4
Total All	$4,898,086	+ 0.9	$5,523,424	+58.3	$5,565,979	+33.5	$5,352,264	+29.7

Note—Clearings reported in millions and thousands (000 omitted throughout). Percentage shows increase or decrease compared with the figures of the same week in 1932.

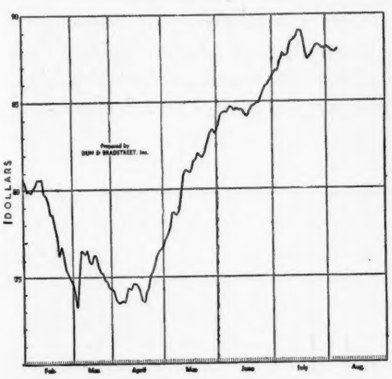
Weekly Bank Clearings

Week ending:	Total	Per Cent Change
August 2	$4,898,086,000	+ 0.9
July 26	5,523,424,000	+58.3
July 19	5,565,979,000	+33.6
July 12	5,352,264,000	+29.7
July 5	4,987,320,000	+ 8.9
June 28	4,758,499,000	+26.9
June 21	5,528,624,000	+16.3
June 14	4,435,885,000	+ 6.3
June 7	5,113,468,000	— 4.1

SECURITY TRADING PACE SLACKENS

THE long continued rise in stock prices was interrupted abruptly in July. On July 17 the Dow-Jones Industrial Averages closed at 108.27 on a turnover of 6,680,000 shares. On the next day the trading volume was 6,590,000 and the closing average, 108.89. Selling became successively heavier on the 19th, 20th and 21st with the volume rising from 7,440,000 shares on the 19th to 9,570,000 on the 21st. Prices were declining rapidly during this period and on the 22nd the Dow-Jones Industrial Averages closed at 88.59, off 19 per cent from the high of July 18.

BOND PRICES *



(*) Based on statistics compiled by Dow, Jones & Co., publishers of "The Wall Street Journal." *Bonds reacted concurrently with stocks, but the bond movement was very much narrower.*

Trading on the 21st was the heaviest since 1929, with the ticker lagging well behind the floor transactions during the better part of the day. The average brokerage house accustomed to months of mild activity, found difficulty in clearing the transactions resulting from the record day and the 2 or 3 that preceded it. Recognizing the general need for time to catch up on back work the Stock Exchange ordered Saturday closing and regular 3-hour sessions which were put into effect the following week.

Since the break the price trend has been irregular. There was the short, quick rebound which can generally be expected to follow a sharp dip. But when this stimulus had worn off prices sagged and trading activity dropped under, and stayed below, 2,000,000 shares daily. This has been the first prolonged period of light trading since early April when the rise began. From that time until the break trading averaged from 3,000,000 to 6,000,000 shares per day.

This table shows the decline in the prices of several individual stocks from their 1933 highs to their July 22 prices.

Stock	1933 High	July 22 Prices	Percent Decline
American Tel.	134¾	115¾	21.5
American Tobacco	90⅞	76	16.3
Du Pont	85¾	61½	28.3
General Electric	30¼	21¼	29.7
General Motors	34¼	23½	31.3
New York Central	58½	35¾	38.9
Pennsylvania	42¼	29	31.4
Radio	12¼	6½	46.9
Socony Vacuum	15½	10⅜	33.1
U. S. Steel	67½	50⅛	25.8

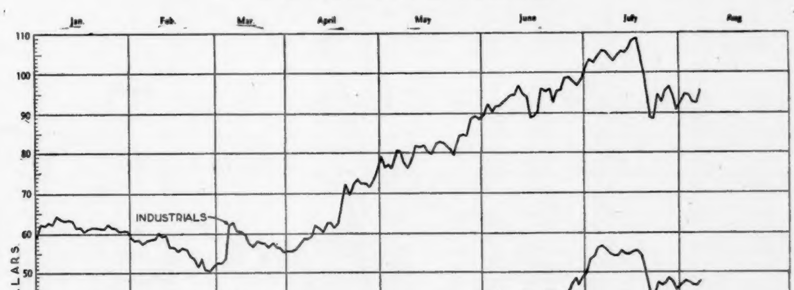
The 1933 highs of all of these stocks were made between July 1 and July 18, at the same time that the averages were reaching their highest. It is interesting to note that with one exception the declines shown by the individual stocks greatly exceeded the 19 per cent drop in the averages.

Bonds Show Firmness

The 1933 high for the Dow-Jones Average of 40 bonds was also recorded on July 18 at 89.07. Although the stock decline affected particular bond issues, such as the speculative group, it did not affect the entire market to any great extent. By July 22 the bond average had receded only to 87.46 and it has since returned to within a point of the 1933 high.

Periodic inflation rumors have proved a source of strength to low-priced rails which generally advance a point or two when such rumors are current. Government bonds have been firm since the successful completion of the Treasury financing in reflection of improved bank and dealer sentiment with regard to these issues. Institutional buying continued to support legal issues.

STOCK PRICES AND VOLUME *



(*) Based on statistics compiled by Dow, Jones & Co., publishers of "The Wall Street Journal." *In this chart, the Dow-Jones 30 Industrials, the Dow-Jones 20 Rails, and the daily trading volume are plotted on the same scale. Prices dropped sharply in mid-July and at the same time volume fell off appreciably.*

INTERNATIONAL MONEY MARKETS

ON July 30 the Treasury Department announced the offering of $850,000,000 of Treasury bonds and notes which Secretary Woodin described as part of the recovery program. The bonds, of which a total of approximately $500,000,000 will be issued will run for 8 years from August 15. The notes, which will total at least $350,000,000 are a 2-year issue which is also dated August 15.

On the day after the offering was announced the subscription books were closed on both issues. Subscriptions to the $500,000,000 of Treasury bonds reached $3,000,000,000 and in addition, applications totalling $1,500,000,000 were received for the $350,000,000 2-year notes.

Small investors were given a liberal opportunity to participate in this financing. The Treasury bonds, which are the first of their kind to be offered since 1931, are to be denominations of $50, $100, $500, $1,000, $5,000, $10,000 and $100,000, in either bearer or registered form. There will also be a $50,000 denomination available in the registered type. The denominations of the notes will be similar to those of the bonds except that the smallest will be $100. The notes will be in bearer form only.

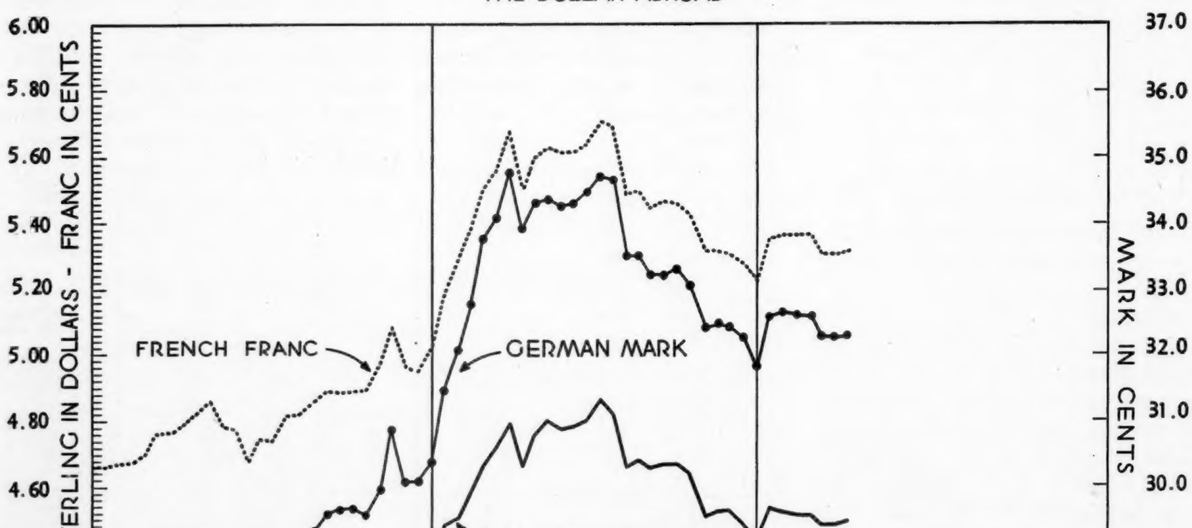
Success Gratifies Administration

President Roosevelt is reported to have expressed keen gratification over the outstanding success of the financing and to have been particularly pleased that the low denominations gave the small investor an opportunity to participate. The over-subscriptions of 6 to 1 on the bonds and 4 to 1 on the notes gave ample evidence of enthusiastic public support of the Treasury.

With this major financing accomplished so satisfactorily the position of the Treasury during the remainder of 1933 becomes a very comfortable one. It will be well fortified to handle quickly and easily all routine financing during the balance of the year. It is estimated that when the August 15 payments are in the Treasury bank balance will exceed $1,500,000,000 —more cash than it has had at any other time in its history.

Rumors have been current in financial circles since the announcement of the offering that it was a forerunner of September refinancing on a large scale. Such refinancing would affect the high coupon Liberty Bond issues now

THE DOLLAR ABROAD



The fluctuations of the dollar as measured by the movements of three primary world currencies in dollar terms.

outstanding and might be the beginning of a serious attempt to refund the $6,804,000,000 4¼ per cent Liberty issues and the $1,392,000,000 3½ per cent first Liberties.

Central Banks Gain Gold

The most recent statements of the principal central banks show marked increases in their gold holdings. The August 2 statement of the Bank of England shows gold holdings of £191,521,188 which is a new high total and compares with £139,399,674 a year ago. For the week ended July 28 the Bank of France reported a gain of 247,235,316 francs which brought the total to 81,976,107,582 francs, which compares with 82,167,515,132 last year. The Bank of Germany gained 16,573,000 marks for the last quarter of July, which brought total gold holdings to 244,960,000 marks as compared with 766,216,000 marks a year ago.

While there have been no striking developments in the foreign exchange markets during the month, the dollar has been perceptibly stronger than in the 8 or 10 weeks immediately preceding and other currencies have generally moved lower than the highs of July. On July 19 the sterling cable rate was 4.86½ while on August 8 it was 4.48. In comparison with a high of 5.70 in July the French franc on August 8 was quoted at 5.29½. The Continental currencies tended to move proportionately to the franc while the Scandinavians, as customarily, followed sterling closely.

Money Rates Slightly Improved

There has not as yet developed in the New York market sufficient business borrowing to change materially the rates from those prevailing a month ago. The official Stock Exchange renewal rate for call funds is still 1 per cent. Time rates are slightly firmer than last month, ranging from 1 to 1½ per cent for various types of loans. Prime commercial paper is quoted from 1¼ to 1½, good names at 1¾. Demand is excellent and supply small. All classes of bankers' acceptances are slightly higher, the present range being from ½ bid for 30 days to 1⅛ bid for six months.

DAILY CLOSING QUOTATIONS OF FOREIGN EXCHANGE (BANKERS' BILLS) IN THE NEW YORK MARKET DURING JULY, 1933

	Sat. July 1	Mon. July 3	Tues. July 4	Wed. July 5	Thurs. July 6	Fri. July 7	Sat. July 8	Mon. July 10	Tues. July 11	Wed. July 12	Thurs. July 13	Fri. July 14	Sat. July 15
Sterling, checks	4.34	4.47⅜	*.....	4.50	4.58	4.66	4.71½	4.79¼	4.65⅛	4.75⅛	4.80	4.77⅝	4.78⅛
Sterling, cables	4.34	4.47⅜	.....	4.50	4.58	4.66	4.71½	4.79¼	4.65⅛	4.75⅛	4.80	4.77⅝	4.78⅛
Paris, checks	5.02¾	5.18¾	.....	5.28¼	5.38¾	5.50¾	5.55¾	5.67½	5.49¾	5.60¾	5.63¼	5.61¾	5.61¼
Paris, cables	5.03	5.19	.....	5.28½	5.39	5.51	5.56	5.67¾	5.50	5.61	5.63½	5.62	5.61½
Berlin, checks	30.33	31.43	.....	32.08	32.73	33.73	34.08	34.73	33.88	34.28	34.33	34.23	34.28
Berlin, cables	30.35	31.45	.....	32.10	32.75	33.75	34.10	34.75	33.90	34.30	34.35	34.25	34.30
Antwerp, checks	17.94½	18.49½	.....	18.89½	19.19½	19.74½	19.79¼	20.19½	19.64½	19.89½	20.09½	20.04½	20.03¼
Antwerp, cables	17.95	18.50	.....	18.90	19.20	19.75	19.80	20.20	19.65	19.90	20.10	20.05	20.04
Lire, checks	6.72¾	6.99¼	.....	7.18	7.31¾	7.47¾	7.52¾	7.69¾	7.45¾	7.58¾	7.61¾	7.57¼	7.58¼
Lire, cables	6.73	6.99½	.....	7.18¼	7.32	7.48	7.53	7.70	7.46	7.59	7.62	7.57½	7.58½
Swiss, checks	24.69½	25.51½	.....	25.89½	26.41½	27.29½	27.45½	28.19½	27.24½	27.84½	27.94½	27.81½	27.84½
Swiss, cables	24.70	25.52	.....	25.90	26.42	27.30	27.46	28.20	27.25	27.85	27.95	27.82	27.85
Guilders, checks	51.26	53.04	.....	53.91	55.21	56.76	56.96	58.56	56.78	57.96	58.16	57.96	57.91
Guilders, cables	51.30	53.08	.....	53.95	55.25	56.80	57.00	58.60	56.82	58.00	58.20	58.00	57.95
Pesetas, checks	10.70	11.10	.....	11.25	11.49	11.84	11.87	12.10	11.81	11.93	12.01	11.99	11.94
Pesetas, cables	10.71	11.11	.....	11.26	11.50	11.85	11.88	12.11	11.82	11.94	12.02	12.00	11.95
Denmark, checks	19.34	19.99	.....	20.09	20.44	21.02	21.09	21.49	20.89	21.29	21.44	21.29	21.34
Denmark, cables	19.35	20.00	.....	20.10	20.45	21.03	21.10	21.50	20.90	21.30	21.45	21.30	21.35
Sweden, checks	22.29	22.99	.....	23.14	23.59	24.24	24.34	24.79	24.14	24.55	24.74	24.69	24.67
Sweden, cables	22.30	23.00	.....	23.15	23.60	24.25	24.35	24.80	24.15	24.56	24.75	24.70	24.68
Norway, checks	21.74	22.49	.....	22.59	22.99	23.44	23.64	24.09	23.49	23.89	24.09	24.09	24.04
Norway, cables	21.75	22.50	.....	22.60	23.00	23.45	23.65	24.10	23.50	23.90	24.10	24.10	24.05
Greece, checks	.72¾	.75¾	.....	.77	.76¾	.80¾	.80¼	.81¾	.80⅞	.80⅜	.81¼	.81	.81
Greece, cables	.73	.76	.....	.77¼	.77	.81	.80½	.82	.81¼	.80⅝	.81½	.81¼	.81¼
Portugal, checks	3.95¾	4.09¾	.....	4.10¾	4.17¼	4.24¼	4.29¾	4.37	4.25¾	4.32¾	4.38¾	4.36¼	4.36¼
Portugal, cables	3.96	4.10	.....	4.11	4.17½	4.24½	4.30	4.37¼	4.26	4.33	4.39	4.36½	4.36½
Australia, checks	3.46⅛	3.57¼	.....	3.58⅞	3.64⅛	3.75¼	3.76⅛	3.82⅞	3.71¼	3.79⅝	3.83⅝	3.82½	3.82½
Australia, cables	3.46⅞	3.58	.....	3.59⅝	3.64⅞	3.76	3.76⅞	3.83⅜	3.72	3.80⅜	3.84⅜	3.83¼	3.83¼
Montreal, demand	91.75	93.00	.....	93.25	93.75	95.25	95.13	95.75	95.00	95.25	95.38	95.25	95.31
Argentina, demand	32.25	32.25	.....	34.40	35.03	36.20	36.20	37.10	36.05	36.51	36.64	36.70	36.70
Brazil, demand	7.64	7.64	.....	7.75	7.75	7.75	7.75	7.75	7.75	7.75	7.75	7.75	7.75
Chile, demand	6.25	6.25	.....	8.25	8.25	8.25	8.25	8.25	8.25	8.25	8.25	8.25	8.25
Uruguay, demand	55.85	55.85	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....

	Mon. July 17	Tues. July 18	Wed. July 19	Thurs. July 20	Fri. July 21	Sat. July 22	Mon. July 24	Tues. July 25	Wed. July 26	Thurs. July 27	Fri. July 28	Sat. July 29	Mon. July 31
Sterling, checks	4.80	4.85	4.82¼	4.65	4.67½	4.65	4.66¾	4.66	4.63¼	4.50¾	4.52⅛	4.52	4.48⅛
Sterling, cables	4.80	4.85	4.82¼	4.65	4.67½	4.65	4.66¾	4.66	4.63¼	4.50¾	4.52⅛	4.52	4.48⅛
Paris, checks	5.64¼	5.70	5.68¾	5.48¾	5.49¾	5.44¾	5.46¼	5.45¾	5.42¾	5.31¾	5.31¾	5.30¼	5.27¾
Paris, cables	5.64½	5.70¼	5.69	5.49	5.50	5.45	5.46½	5.46	5.43	5.32	5.32	5.30½	5.28
Berlin, checks	34.43	34.68	34.63	33.48	33.48	33.18	33.18	33.28	33.08	32.38	32.43	32.38	32.28
Berlin, cables	34.45	34.70	34.65	33.50	33.50	33.20	33.20	33.30	33.10	32.40	32.45	32.40	32.25
Antwerp, checks	20.11½	20.32½	20.27½	19.61½	19.64½	19.39½	19.49½	19.49½	19.38½	18.99½	18.94½	18.89½	18.82⅛
Antwerp, cables	20.12	20.33	20.28	19.62	19.65	19.40	19.50	19.50	19.39	19.00	18.95	18.90	18.83
Lire, checks	7.59¼	7.78¼	7.66¾	7.41¾	7.41¾	7.33¾	7.36¾	7.36	7.31¾	7.19¾	7.14¾	7.12½	7.10
Lire, cables	7.59½	7.78½	7.67	7.42	7.42	7.34	7.37	7.36¼	7.32	7.20	7.15	7.12¾	7.10¼
Swiss, checks	27.89½	28.11½	28.05½	27.15½	27.19	26.87½	27.04½	26.99½	26.80½	26.34½	26.29½	26.21½	26.14
Swiss, cables	27.90	28.12	28.06	27.16	27.20	26.88	27.05	27.00	26.81	26.35	26.30	26.22	26.15
Guilders, checks	58.16	58.72	58.64	56.56	56.71	56.16	56.26	56.26	55.94	54.76	54.76	54.71	54.36
Guilders, cables	58.20	58.76	58.68	56.60	56.75	56.20	56.30	56.30	55.98	54.80	54.80	54.75	54.40
Pesetas, checks	12.05	12.18½	12.15	11.75	11.74½	11.67	11.66	11.67	11.57	11.37	11.28	11.29	11.28
Pesetas, cables	12.06	12.19½	12.16	11.76	11.75½	11.68	11.67	11.68	11.58	11.38	11.29	11.30	11.29
Denmark, checks	21.39	21.69	21.56	20.74	20.89	20.74	20.84	20.84	20.64	20.24	20.14	20.14	20.04
Denmark, cables	21.40	21.70	21.57	20.75	20.90	20.75	20.85	20.85	20.65	20.25	20.15	20.15	20.05
Sweden, checks	24.74	25.04	24.86	24.04	24.19	23.99	24.09	24.09	23.84	23.49	23.34	23.29	23.19
Sweden, cables	24.75	25.05	24.87	24.05	24.20	24.00	24.10	24.10	23.85	23.50	23.35	23.30	23.20
Norway, checks	24.14	24.44	24.26	23.44	23.59	23.39	23.49	23.44	23.24	22.84	22.64	22.69	22.59
Norway, cables	24.15	24.45	24.27	23.45	23.60	23.40	23.50	23.45	23.25	22.85	22.65	22.70	22.60
Greece, checks	.81	.81⅞	.82¼	.80⅞	.81¼	.79⅛	.79⅝	.79¼	.78⅝	.77¾	.75¾	.76⅝	.77⅛
Greece, cables	.82	.82⅛	.82½	.81⅛	.81½	.79⅝	.79⅝	.79½	.78⅝	.78	.76	.76⅝	.77½
Portugal, checks	4.38¼	4.42¼	4.39¾	4.24¼	4.26¾	4.22¾	4.25¾	4.25¼	4.21¾	4.11¼	4.11¾	4.12¼	4.09¼
Portugal, cables	4.38½	4.42½	4.40	4.24½	4.27	4.23	4.26	4.25½	4.22	4.11½	4.12	4.12½	4.09½
Australia, checks	3.83½	3.87¼	3.85	3.71¼	3.73	3.70	3.72½	3.72½	3.69⅝	3.61½	3.59¼	3.61⅝	3.57½
Australia, cables	3.84¼	3.88	3.85¾	3.72	3.73¾	3.70¾	3.73¼	3.73¼	3.70⅝	3.62¼	3.60	3.62⅝	3.57¾
Montreal, demand	95.75	96.50	96.00	94.88	95.13	95.00	95.25	95.00	93.38	93.25	92.88	93.00	93.00
Argentina, demand	36.75	37.10	37.04	35.92	35.52	35.52	35.45	35.45	35.30	34.87	34.57	34.57	34.57
Brazil, demand	7.75	7.75	7.75	7.75	7.75	7.75	7.75	7.75	7.75	7.75	7.75	7.75	7.75
Chile, demand	8.25	8.25	8.25	8.25	8.25	8.25	8.25	8.25	8.25	8.25	8.25	8.25	8.25
Uruguay, demand	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....

* Holiday.

STATISTICAL RECORD OF

VISIBLE GRAIN SUPPLIES

Returns to *Dun & Bradstreet, Inc.*, of available wheat stocks held on August 5, 1933, in the United States, Canada, leading ports of the United Kingdom and Europe, and the supply on passage for the United Kingdom, also the stocks of corn and oats held in the United States and Canada, with comparisons, are as follows, figures being in bushels:

Wheat	*Week ending Aug. 5, 1933*	*Changes from Last Week*	*Week ending Aug. 6, 1932*
United States, east of Rocky Mountains	138,983,000	+ 3,490,000	‡177,328,000
United States, west of Rocky Mountains	5,963,000	+ 558,000	1,876,000
Canada	191,729,000	— 2,150,000	117,232,000
Total, United States and Canada	336,675,000	+ 1,898,000	‡296,436,000
United Kingdom and Afloat (Broomhall)	43,200,000	+ 300,000	35,200,000
Total, American, United Kingdom and Afloat	379,875,000	+ 2,198,000	‡331,636,000
Continent { Marseilles, Rotterdam & Amsterdam } (Broomhall)	6,000,000	+ 700,000	3,700,000
Total American and European Supply	385,875,000	+ 2,898,000	335,336,000
Corn—United States and Canada	63,918,000	+ 462,000	‡11,365,000
Oats—United States and Canada	48,622,000	+ 2,498,000	‡21,123,000

‡ Revised

The combined aggregate wheat visible supply statistics, in bushels, follow. (Last three 000 omitted):

Week ending 1933	*U. S. east of Rockies*	*U. S. Pacific Coast*	*Total U. S.*	*Canada*	*Total U. S. and Canada both Coasts*	*U. K. and Afloat (Broomhall)*	*Total American, U. K. and Afloat*	*Continent*	*Total America and Europe*
May 6	123,048	3,167	126,215	211,855	338,070	54,400	392,470	.....	....
May 13	120,176	3,138	123,314	212,396	335,710	54,300	390,010	.....	....
May 20	118,712	3,164	121,876	208,374	330,250	54,900	385,150	.....	....
May 27	117,609	3,133	120,742	201,349	322,091	55,400	377,491	.....	....
June 3	118,546	3,098	121,644	196,581	318,225	52,200	370,425	.....	....
June 10	120,013	3,228	123,241	195,501	318,742	49,900	368,642	.....	....
June 17	121,869	3,211	125,080	190,880	315,960	49,800	365,760	.....	....
June 24	123,631	3,239	126,870	194,235	321,105	50,100	371,205	.....	....
July 1	124,973	3,751	128,724	197,665	326,389	44,200	370,589	.....	....
July 8	126,022	3,955	129,977	199,865	329,842	45,300	375,142	5,700	380,842
July 15	128,070	4,105	132,175	199,121	331,296	44,600	375,896	5,800	381,696
July 22	131,660	4,523	136,183	197,585	333,768	45,200	378,968	5,700	384,668
July 29	135,493	5,405	140,898	193,879	334,777	42,900	377,677	5,300	382,977
Aug. 5	138,983	5,963	144,946	191,729	336,675	43,200	379,875	6,000	385,875

Wheat and Flour Exports

[By telegraph to *Dun & Bradstreet, Inc.*]

The quantity of wheat (including flour as wheat) exported from leading United States and Canadian ports for the week and season compare as follows, in bushels:

Week ending	*1933*	*1932*	*1931*
March 11	3,934,057	4,739,629	5,039,377
March 18	3,252,595	3,751,144	4,368,598
March 25	3,849,394	2,357,831	4,915,753
April 1	2,491,520	6,910,914	8,583,812
April 8	2,391,651	6,366,403	3,884,400
April 15	3,690,539	6,800,855	4,406,863
April 22	2,343,174	6,946,290	5,148,348
April 29	4,675,488	6,936,089	4,079,086
May 6	5,397,016	7,490,447	10,172,451
May 13	3,569,009	7,390,627	9,355,840
May 20	6,804,693	9,009,973	8,637,934
May 27	5,314,386	6,030,294	9,393,479
June 3	4,338,194	7,771,365	7,739,515
June 10	5,625,520	7,171,871	7,611,168
June 17	5,915,579	6,872,983	6,094,108
June 24	3,166,156	7,720,968	7,509,105
July 1	3,893,712	7,182,387	6,509,546
July 8	2,871,139	5,147,111	5,827,682
July 15	3,738,840	4,744,577	6,555,286
July 22	2,575,448	4,816,408	5,006,148
July 29	2,619,189	5,277,912	5,774,145
August 5	3,741,702	8,148,248	7,147,514
July 1 to date	15,546,318	23,134,256	30,310,775

Corn Exports

[By telegraph to *Dun & Bradstreet, Inc.*]

Corn exports in bushels from leading United States and Canadian ports compare as follows:

Week ending	*1933*	*1932*	*1931*
March 11	115,000	26,734	20,456
March 18	53,000	9,679	24,428
March 25	90,000	1,639	8,676
April 1	38,000	7,686	9,270
April 8	4,000	102,672	14,252
April 15	1,000	75,999	4,359
April 22	......	94,653	3,342
April 29	27,000	8,668	3,864
May 6	6,000	54,704	3,777
May 13	4,000	2,834	3,298
May 20	8,000	17,000	3,806
May 27	1,000	3,624	3,682
June 3	1,000	23,540	5,400
June 10	5,000	9,991	6,000
June 17	.....	4,650	5,242
June 24	7,000	68,690	4,684
July 1	7,000	1,000	4,800
July 8	.....	33,000	4,694
July 15	7,000	44,000	7,554
July 22	4,000	39,000	5,262
July 29	7,000	39,000	5,404
August 5	.....	44,000	4,164
July 1 to date	18,000	199,000	27,078

U. S. Grain East of Rocky Mountains

Stocks of grain available in the United States August 5, 1933, in bushels, were as follows, with comparisons:

(Last three 000 omitted)

United States	*Wheat*	*Corn*	*Oats*	*Barley*
Minneapolis	26,229	2,625	15,439	7,355
Duluth	15,643	4,743	6,331	1,699
Sioux City, Iowa	893	532	436	25
Milwaukee	1,348	3,744	1,982	825
Omaha	9,925	7,928	2,505	33
Sioux Falls, S. D.	2	4	3	1
Hutchinson	5,831	....	....	....
Lincoln, Neb.	325	75	....	....
Wichita	2,250	37	8	....
Kansas City	38,068	3,153	389	18
St. Joseph	4,043	3,171	815	20
Chicago	6,838	18,244	3,646	1,387
Afloat	....	559	....	....
Manitowoc	....	1,410	148	....
Peoria	39	406	324	17
Kankakee	....	199	....	....
Indianapolis	1,150	1,948	912	....
St. Louis	5,636	2,807	415	5
Louisville	797	177	12	5
Chattanooga	194	166	....	....
Nashville	525	81	721	....
New Orleans	25	221	152	....
Houston	350	12	14	....
Galveston	407	....	....	....
Fort Worth, Tex.	7,248	89	858	85
Dallas, Tex.	631	....	....	....
On Lakes	852	369	....	....
On Canal	....	141	148	....
Detroit	249	10	18	40
Erie, Pa.	185	....	....	....
Cleveland	71	....	....	....
Mansfield	200	485	190	....
Dayton	6	4	3	2
Cincinnati	979	49	60	10
Springfield, Ohio	25	3	....	....
Buffalo	5,671	10,090	1,239	786
Afloat	397	56	185	....
Watertown, N. Y.	7	....	....	....
Boston	....	....	5	....
Providence, R. I.	4	19	15	1
New York	122	116	96	....
Afloat	....	120	....	....
Philadelphia	508	95	45	2
Baltimore	1,296	14	27	1
Newport News	6	....	....	....
Norfolk	8	16	....	....
August 5, 1933	138,983	63,918	37,141	12,317
July 29, 1933	135,493	63,456	34,598	11,633
August 6, 1932*	177,328	11,365	15,881	2,091

* Revised

Grain Movement

Receipts of flour and grains at twelve Western lake and river points for the week and season compare as follows (000 omitted):

	Flour, bbls.	*Wheat, bus.*	*Corn, bus.*	*Oats, bus.*
Aug. 5, 1933	274	7,323	4,952	5,365
July 29, 1933	239	10,726	8,260	3,739
July 22, 1933	353	16,446	14,306	5,100
July 15, 1933	401	13,895	12,767	4,099
July 8, 1933	533	9,893	9,873	2,801
Aug. 6, 1932	341	11,287	3,071	5,471

Season, July 1, 1933, to August 5, 1933—

Flour, bbls.	1,800	Corn, bus.	50,158
Wheat, bus.	58,283	Oats, bus.	21,104

Season, July 1, 1932, to August 6, 1932—

Flour, bbls.	1,811	Corn, bus.	13,818
Wheat, bus.	59,424	Oats, bus.	13,864

Cereal Exports by Ports

[By telegraph to *Dun & Bradstreet, Inc.*]

Export of cereals from leading ports in United States and Canada for the week ending August 5, 1933, were as follows:

From	*Flour, barrels*	*Wheat, bushels*	*Corn, bushels*
New York	9,050	412,000	.....
Albany, N. Y.	.....	.....	.....
Philadelphia	.....	.....	.....
Baltimore	.....	.....	.....
Boston	.....	.....	.....
Newport News	.....	.....	.....
Portland, Me.	.....	.....	.....
Norfolk	.....	.....	.....
New Orleans	1,000	.....	.....
Galveston	7,000	.....	.....
Houston	.....	.....	.....
Port Arthur	.....	.....	.....
Mobile	.....	.....	.....
Total, Atlantic	17,050	412,000	.....
Previous week	11,885	201,000	7,000
San Francisco	2,500	.....	.....
Portland, Ore.	.....	.....	.....
Puget Sound	35,575	.....	.....
Total, Pacific	38,075	.....	.....
Previous week	15,995	.....	.....
Total, U. S.	55,125	.....	.....
Previous week	27,880	201,000	7,000
Montreal	54,000	1,322,000	.....
Quebec	.....	604,000	.....
Sorel	.....	473,000	.....
Halifax	4,000	.....	.....
Vancouver	.....	421,640	.....
Victoria	.....	.....	.....
Prince Rupert	.....	.....	.....
West St. John	.....	.....	.....
St. John	.....	.....	.....
Total, Canada	58,000	2,820,640	.....
Previous week	101,000	1,839,229	.....
Grand total	113,125	3,232,640	.....
Previous week	128,880	2,039,229	7,000

Canadian Grain Stocks

The available grain stocks in Canada August 5, 1933, follow with comparisons:

(Last three 000 omitted)

Canada	*Wheat*	*Corn*	*Oats*	*Barley*
Montreal	....	....	....	....
Churchill	2,430	....	....	....
Country Elevators	72,333	....	5,060	2,258
Int. Term. Elevators	2,003	....	43	4
Int. Private & Mfg. Elevators	6,027	....	1,240	1,401
Ft. William and Pt. Arthur	61,827	....	2,868	2,831
Canadian Afloat	....	....	....	....
Victoria	....	....	....	....
Vancouver	9,140	....	569	496
Prince Rupert	3	....	....	....
Bonded grain in U. S.	6,736	....	....	....
Other Canadian	31,230	....	1,701	819
August 5, 1933	191,729	....	11,481	7,809
July 29, 1933	193,879	....	11,526	7,783
August 6, 1932	117,232	....	5,242	2,930

The Montreal, Fort William and Port Arthur and bonded grain totals are furnished by the New York Produce Exchange and Chicago Board of Trade. The other Canadian totals are telegraphed to *Dun & Bradstreet, Inc.*, by the Agricultural Branch of the Dominion Bureau of Statistics of Ottawa.

Pacific Coast Wheat Stocks

	August 5, 1933	*July 29, 1933*
Portland, Ore.	2,965,000	2,600,000
Tacoma, Wash.	750,000	650,000
Seattle, Wash.	2,248,000	2,155,000
Total	5,963,000	5,405,000

COMMERCE AND FINANCE

FINANCIAL STATISTICS

	July 1933	July 1932	Ch'ge P. Ct.	June 1933	Ch'ge P. Ct.
Bank Clearings, N. Y. City ($)*	16,061,871	11,675,263	+ 37.6	15,824,580	+ 1.5
Bank debits, N. Y. City ($)*	17,354,291	12,728,380	+ 36.3	16,742,741	+ 3.7
Bank debits, U. S. ($)*	31,232,222	25,239,339	+ 23.7	29,711,380	+ 5.1
Bond sales, Munic. ($)	37,372,468	30,361,804	+ 23.1	98,856,366	— 62.2
Bond sales, N. Y. Curb Exch. ($)	117,909,000	71,952,000	+ 63.9	105,908,000	+ 11.3
Bond sales, N. Y. Stock Exch. ($)	384,014,300	243,637,550	+ 57.6	377,745,900	+ 1.7
Corporate issues ‡ ($)	53,242,430	110,309,000	— 51.7	798,715	+ ....
Dividend & interest payments ‡ ‖ ($)	349,619,539	367,100,000	— 4.8	763,219,028	— 54.2
Failures, number †	1,421	2,596	— 45.3	1,648	— 13.8
Stock sales, N. Y. Curb Exchange (shares)	21,165,048	2,343,224	+803.2	22,330,742	— 5.2
Stock sales, N. Y. Stock Exchange (shares)	120,300,463	23,055,724	+421.8	125,627,124	— 4.2
	June 1933	*June 1932*	*Ch'ge P. Ct.*	*May 1933*	*Ch'ge P. Ct.*
Automobile financing, retail ($)	65,514,154	63,169,095	+ 3.7	58,199,743	+ 12.6
Auto. financing, wholesale ($)	56,937,616	43,682,471	+ 30.3	55,005,590	+ 3.5
Fire losses ($)	21,578,609	34,338,670	— 37.2	24,338,714	— 11.3
Foreign Trade, U. S. Mdse. Exports ($)	119,900,000	114,148,000	+ 5.0	114,242,000	+ 5.0
Foreign Trade, U. S. Mdse. Imports ($)	122,000,000	110,280,000	+ 10.6	106,905,000	+ 14.1
Life insurance, sales, ($)	687,776,000	768,233,000	— 10.5	645,320,000	+ 6.6
Ry. earnings, gross ($)	278,311,079	243,545,252	+ 14.3	255,255,756	+ 9.0
Ry. earnings, net oper. income ($)	59,453,185	12,299,666	+383.4	40,693,072	+ 46.1

* Three cyphers omitted. † Dun & Bradstreet, Inc. ‡ Journal of Commerce. ‖ August, 1933, and corresponding months.

PRODUCTION

	July 1933	July 1932	Ch'ge P. Ct.	June 1933	Ch'ge P. Ct.
Coal, anthracite (tons)	3,673,000	3,021,000	+ 21.6	3,928,000	— 6.5
Coal, bituminous (tons)	29,457,000	17,857,000	+ 65.0	25,320,000	+ 16.3
Flour (bbls.)	5,518,722	5,181,530	+ 6.5	5,342,066	+ 3.3
Pig Iron (tons)	1,819,438	572,296	+217.9	1,265,007	+ 43.8
Steel ingot (tons)	3,203,810	806,722	+297.1	2,597,517	+ 23.3
Zinc (tons)	30,905	14,716	+110.0	24,027	+ 28.6
	June 1933	*June 1932*	*Ch'ge P. Ct.*	*May 1933*	*Ch'ge P. Ct.*
Automobiles (cars and trucks)	253,322	183,106	+ 38.3	218,303	+ 16.0
Boots and shoes (pairs)	34,629,616	23,561,556	+ 47.0	32,965,224	+ 5.0
Building† (215 cities) ($)	34,065,704	32,173,221	+ 5.9	31,525,523	+ 8.1
Cement (bbls.)	7,804,000	7,921,000	— 1.5	6,262,000	+ 24.6
Coke (tons)	2,291,532	1,577,912	+ 45.2	1,968,557	+ 16.4
Const. contr. awarded (37 States) †† ($)	103,255,400	113,075,000	— 8.7	77,171,700	+ 33.8
Cotton mill spin. hours*	9,299,175	4,250,000	+118.8	8,309,665	+ 11.9
Electricity, k. w. h.*	7,207,000	6,563,000	+ 9.8	6,996,000	+ 3.0
Gasoline (bbls.)	35,428,000	33,312,000	+ 6.4	34,611,000	+ 2.4
Gold (Rand) (ozs.)	918,633	959,011	— 4.2	944,604	— 2.7
Lead, refined (tons)	30,727	28,709	+ 7.0	28,488	+ 7.9
Malleable castings (tons)	31,118	15,018	+107.2	24,628	+ 26.4
Newsprint, U. S. & Canada (tons)	255,803	246,767	+ 3.7	251,292	+ 1.8
Petroleum, crude (bbls.)	82,841,000	64,835,000	+ 27.8	84,747,000	— 2.2
Pneumatic casings	6,099,924	5,643,329	+ 8.1	5,189,291	+ 17.5
Range boilers (no.)	71,502	40,099	+ 78.3	69,992	+ 2.2
Steel barrels	572,851	651,916	— 12.1	465,418	+ 23.1
Sulph. acid (tons)	75,546	44,930	+ 68.1	90,605	— 16.6
Tobacco and products					
Cigarettes, small*	10,560,212	12,462,970	— 15.3	12,822,973	— 17.6
Cigars, large	400,406,156	418,570,386	— 4.3	371,372,981	+ 7.8
Tobacco and snuff (lbs.)	30,678,095	32,358,321	— 5.2	31,837,575	— 3.6

* Three cyphers omitted. † Dun & Bradstreet, Inc. †† F. W. Dodge Corp.

SHIPMENTS AND CONSUMPTION

	July 1933	July 1932	Ch'ge P. Ct.	June 1933	Ch'ge P. Ct.
Silk consumption (bales)	44,597	38,382	+ 16.2	53,627	— 16.8
Tin, deliveries U. S. (long tons)	6,540	2,265	+188.7	6,145	+ 6.4
Zinc, ship. (tons)	45,689	12,841	+225.8	36,737	+ 24.4
	June 1933	*June 1932*	*Ch'ge P. Ct.*	*May 1933*	*Ch'ge P. Ct.*
Anthracite, ship. (tons)	3,512,382	2,226,851	+ 57.7	2,507,797	+ 40.1
Carloading (cars)	2,539,600	2,143,500	+ 18.5	2,381,900	+ 6.6
Cement, ship. (bbls.)	7,979,000	9,264,000	— 13.9	6,709,000	+ 18.9
Cotton cons. (bales)	696,472	322,706	+115.8	620,909	+ 12.2
Gasoline cons. (bbls.)	37,710,000	38,766,000	— 2.7	33,999,000	+ 10.9
Lead, refined (tons)	34,825	22,295	+ 56.2	28,197	+ 23.5
Malleable castings (tons)	29,268	16,450	+ 77.9	23,077	+ 26.8

SHIPMENTS AND CONSUMPTION (Continued)

	June 1933	June 1932	Ch'ge P. Ct.	May 1933	Ch'ge P. Ct.
Newsprint, ship., U. S. & Can. (tons)	259,037	248,565	+ 4.2	242,716	+ 6.7
Petroleum, crude, runs-to-stills (bbls.)	74,619,000	72,327,000	+ 3.2	74,340,000	+ 0.4
Pneumatic casings	6,305,454	10,064,915	— 37.4	5,180,173	+ 21.7
Range boilers (no.)	72,137	39,424	+ 83.0	71,279	+ 1.2
Prepared roofing, shipments (squares)	2,025,725	1,528,752	+ 32.5	2,804,173	— 27.8
Sulph. acid cons. (tons)	50,895	29,658	+ 71.6	67,162	— 24.2
Rubber, cr., cons. (tons)	51,326	41,475	+ 23.8	44,580	+ 15.1
Steel barrels	568,437	654,561	— 13.2	467,695	+ 21.5
Wool consump. (lbs.)	58,687,988	18,932,793	+210.0	46,898,268	+ 25.1
	May 1933	*May 1932*	*Ch'ge P. Ct.*	*Apr. 1933*	*Ch'ge P. Ct.*
Paints & var., sales ($)	27,574,056	24,981,441	+ 10.4	20,343,454	+ 35.5
Paints, plastic, sales ($)	115,281	65,309	+ 76.5	88,071	+ 30.9

STOCKS ON HAND AT END OF MONTH

	July 1933	July 1932	Ch'ge P. Ct.	June 1933	Ch'ge P. Ct.
Silk, raw (bales)	51,684	50,721	+ 1.9	33,933	+ 52.3
Tin, world's visible supply (long tons)	38,043	39,964	— 4.8	49,125	— 22.6
Zinc (tons)	109,140	135,902	— 19.7	123,924	— 11.9
	June 1933	*June 1932*	*Ch'ge P. Ct.*	*May 1933*	*Ch'ge P. Ct.*
Bathroom access. (pcs.)					
Vitreous clay	298,282	483,357	— 38.3	304,320	— 2.0
Non-vitreous clay	77,801	84,391	— 7.8	78,538	— 0.9
Cement (bbls.)	19,942,000	24,043,000	— 17.1	20,117,000	— 0.9
Coke, by-product (tons)	2,946,868	3,741,979	— 21.2	2,975,172	— 1.0
Cotton, ex. lint. (bales)					
In mfg. establishments	1,400,804	1,320,703	+ 6.1	1,394,607	+ 0.4
In warehouses	6,318,944	7,150,937	— 11.6	7,320,977	— 13.7
Gasoline at ref. (bbls.)	30,582,000	38,526,000	— 20.6	33,757,000	— 9.4
Lead, refined (tons)	193,005	181,044	+ 6.6	197,109	— 2.1
Methanol (gallons)					
Refined from wood distillate	315,680	276,287	+ 14.3	348,752	— 9.5
Synthetic	1,444,329	2,852,537	— 49.4	1,715,547	— 15.8
Crude methanol	317,110	511,120	— 38.0	253,499	+ 25.1
Newsprint, U. S. and Canada (tons)	65,032	85,531	— 24.0	66,988	— 2.9
Oil-burners (no.)	7,632	10,137	— 24.7	7,815	— 2.3
Petroleum, crude, excl. Calif. (bbls.)	303,260,000	316,995,000	— 4.3	297,166,000	+ 2.1
Pneumatic casings	6,614,940	4,999,075	+ 32.3	6,760,165	— 2.1
Porcelain plumbing fixtures (pieces)	11,184	15,324	— 27.0	11,345	— 1.4
Range boilers (no.)	31,635	31,556	+ 0.3	32,240	— 2.0
Rubber, U. S. & Afloat (long tons)	397,562	388,781	+ 2.3	407,965	— 2.5
Steel barrels	26,187	33,172	— 21.1	21,773	+ 20.3
Steel sheets (sh. tons)	104,355	121,946	— 14.4	98,991	+ 5.4
Sulphuric acid (tons)	69,311	84,228	— 17.7	70,413	— 1.6

GOVERNMENT STATISTICS

	July 31, 1933	July 31, 1932	June 30, 1933
Debt, gross, U. S. ($)	22,609,888,649	19,611,765,839	22,538,672,560
	June 30, 1933	*June 30, 1932*	*May 31, 1933*
Money in circul. U. S. ($)	5,720,764,384	5,695,171,375	5,812,319,611
Population	125,693,000	124,822,000	125,621,000
Per capita ($)	45.51	45.63	46.27
Gen. stock money, U. S. ($)	10,078,416,523	9,004,504,534	10,172,990,108
	July, 1933	*July, 1932*	*June, 1933*
Receipts, ordinary, U. S. ($)	163,213,571	87,764,207	282,052,972
Expenditures, ord., U. S. ($)	195,617,969	350,956,731	381,812,257

MONTHLY INDEX NUMBERS

Price Index Numbers (Wholesale)

	Base Year	Aug. 1, 1933	July 1, 1933	June 1, 1933	Same month 1932
DUN'S	....	$156.134	$149.178	$139.931	$128.761
BRADSTREET'S	....	$9.0095	$8.3373	$8.0214	$6.7950
U. S. Bureau of Labor ‡	1926	....	65.0	62.7	63.9
Annalist ‡	1913	103.4	94.5	90.5	92.1
Canada (Dom. Bureau)	1926	70.5	67.6	66.9	66.4
		June, 1933	*May, 1933*	*April, 1933*	*Same month 1932*
U. K. (Board of Trade)	1913	101.7	99.2	97.2	98.1
U. K. (Economist)	1913	89.5	87.5	84.5	80.9
U. K. (Statist)	1913	95.6	95.2	92.4	90.6
France (Stat. Gen.)	1913	403	383	387	425
Italy (Bachi)	1913	....	279	279	305
Germany (Official)	1913	92.9	91.9	90.7	96.2
Belgium	1914	507	502	501	514
Denmark (Official)	1913	123	123	122	113
Norway	1913	121	121	121	120
Sweden	1913	106	106	105	108
Holland	1913	....	72	71	79
Japan (Oriental Economist)	1913	158.8	154.5	151.8	122.4
China (Shanghai)	1926	....	104.2	104.5	115.7

‡ Average over previous month.

JUNE BUILDING PERMIT VALUES BY CITIES

THE following table presents the details by cities of building expenditures during May and June of this year and June a year ago, as reported to Dun & Bradstreet, Inc.:

New England	June 1933	June 1932	May 1933
Boston	$639,035	$1,712,326	$882,649
Bridgeport	67,329	67,640	46,647
Brockton	45,885	29,189	15,523
Burlington, Vt.	8,965	13,500	31,860
Cambridge	56,955	30,470	29,628
Chelsea	18,755	16,200	69,100
Everett	5,505	6,430	18,288
Fall River	44,837	7,343	17,097
Fitchburg	11,270	22,545	14,665
Greenwich	74,900	92,650	112,300
Hartford	110,765	63,027	62,461
Haverhill	8,975	8,217	9,110
Holyoke	14,600	15,850	22,900
Lawrence	30,500	22,365	47,735
Lowell	9,170	18,010	28,880
Lynn	60,695	32,758	23,500
Manchester	29,871	32,694	26,970
Medford	34,875	118,785	16,570
New Bedford	20,375	14,425	26,125
New Britain	11,835	12,216	48,865
New Haven	112,903	713,541	168,407
Newton	382,126	135,445	194,045
Norwalk	72,250	84,785	72,230
Portland, Me.	8,540	33,746	17,981
Providence	718,850	148,081	339,900
Quincy, Mass.	58,933	69,570	65,165
Salem	42,470	26,050	27,245
Somerville	64,920	64,725	10,800
Springfield, Mass.	30,621	163,135	26,535
Stamford	58,140	44,125	51,215
Waterbury	24,150	31,800	41,260
West Hartford	78,198	52,944	144,603
Worcester	85,358	257,414	68,467
Total	$3,042,551	$4,162,001	$2,778,726

Middle Atlantic	June 1933	June 1932	May 1933
Manhattan 1	$657,375	$1.165,705	$146,000
Manhattan 2	2,517,441	728,130	1,337,700
Bronx 1	397,950	314,800	3,307,585
Bronx 2	271,780	245,155	256,590
Brooklyn 1	3,081,005	729,020	2,896,540
Brooklyn 2	1,292,512	535,715	2,286,085
Queens 1	1,536,000	1,218,226	602,240
Queens 2	335,557	328,900	307,639
Richmond 1	148,442	192,197	175,241
Richmond 2	66,439	82,390	36,660
Total N. Y. C.	$10,304,501	$5,540,238	$11,352,280

1 New work. 2 Alterations.

Mid. Atlantic (cont.)	June 1933	June 1932	May 1933
Albany	$284,329	$162,955	$141,328
Allentown	21,220	13,040	29,515
Altoona	13,528	11,457	11,511
Atlantic City	53,925	57,066	32,081
Auburn	59,915	93,450	12,165
Bayonne	31,260	28,156	8,660
Binghamton	93,589	69,593	69,281
Buffalo	269,899	146,807	117,932
Camden	12,800	22,765	17,092
East Orange	22,020	166,100	21,861
Elizabeth	30,030	26,410	144,455
Elmira	15,913	16,564	10,068
Erie	65,169	115,753	49,261
Harrisburg	21,840	33,865	36,360
Jamestown	12,665	18,805	16,045
Jersey City	62,092	90,460	45,890
Lancaster	33,565	22,610	6,750
Mount Vernon	44,520	237,375	42,665
Newark, N. J.	132,082	255,975	280,900
New Brunswick	$5,333	$7,400	$20,970
New Rochelle	66,346	71,599	40,647
Niagara Falls	73,975	124,042	50,499
Philadelphia	720,120	658,520	1,234,130
Pittsburgh	256,857	171,948	237,901
Poughkeepsie	22,862	23,170	97,130
Reading	25,490	18,008	41,070
Rochester	152,516	425,975	169,907
Schenectady	164,373	74,984	37,701
Scranton	66,485	1,225,591	29,300
Syracuse	82,685	93,550	57,135
Troy	72,100	55,965	69,424
Utica	57,675	63,060	59,150
Watertown	37,115	10,810	7,230
White Plains	82,445	102,409	30,300
Wilkes-Barre	94,745	103,964	43,154
Williamsport	13,907	20,260	14,212
Wilmington	122,595	68,386	53,718
Yonkers	252,285	196,525	146,435
York	60,837	17,027	30,458
Total	$14,015,558	$10,662,637	$14,916,571

South Atlantic	June 1933	June 1932	May 1933
Asheville	$11,600	$3,062	$18,585
Atlanta	117,123	421,666	82,097
Augusta	40,386	21,709	21,000
Baltimore	983,160	1,267,440	573,120
Charleston, S. C.	21,070	21,125	9,445
Charlotte	54,947	31,716	35,135
Coral Gables	14,125	8,625	10,750
Greensboro	23,565	8,857	11,755
Greenville	19,370	9,415	9,615
Jacksonville, Fla.	156,115	93,745	113,480
Lynchburg	63,605	368,585	93,225
Macon	12,925	30,124	35,426
Miami	89,992	59,915	111,249
Miami Beach	507,040	167,851	376,620
Norfolk	148,620	121,280	85,835
Richmond	112,194	175,427	83,186
Roanoke	12,645	17,191	25,559
Savannah	18,325	5,369	24,205
Tampa	23,298	29,393	46,975
Washington, D.C.	583,770	1,403,340	649,170
Winston-Salem	36,980	38,825	25,990
Total	$3,050.855	$4,304,660	$2,442,422

East Central	June 1933	June 1932	May 1933
Akron	$96,558	$78,225	$61,856
Bay City	16,118	20,373	16,068
Berwyn	7,250	3,081	5,925
Bluefield	6,648	75	8,435
Canton	7,900	8,575	8,460
Chicago	788,920	186,800	266,825
Cincinnati	613,965	757,770	539,535
Clarksburg	2,770	7,493	2,925
Cleveland	306,200	296,475	238,800
Columbus	48,750	257,250	89,150
Dayton	74,531	55,879	75,956
Detroit	480,898	543,903	409,862
East St. Louis	16,800	22,790	8,204
Evanston	33,500	37,000	77,850
Evansville	35,950	70,857	47,835
Flint	20,077	30,699	69,632
Fort Wayne	20,379	147,553	33,771
Gary	9,480	1,835	41,625
Grand Rapids	26,000	102,900	40,915
Green Bay	31,839	54,327	16,730
Hammond	15,052	46,873	35,961
Huntington	58,110	5,250	7,410
Indianapolis	242,857	301,040	79,746
Lansing	40,110	11,562	5,395
Lima	2,200	3,350	1,250
Louisville	243,875	71,050	149,345
Madison	66,333	67,115	47,395
Milwaukee	261,855	329,291	215,657
Newark O.	4,550	6,750	3,075
Oak Park	3,642	63,640	7,785
Peoria	41,065	40,155	36,340
Pontiac	4,387	2,668	1,570
Quincy, Ill.	10,600	1,160	1,440
Racine	10,280	7,225	11,970
Rockford	7,800	4,655	4,060
Saginaw	22,077	11,492	22,645
South Bend	78,210	28,460	18,785
Springfield Ill.	36,048	112,292	15,316
Springfield, Ohio	4,400	13,805	11,380
Superior	5,235	22,600	9,015
Terre Haute	18,633	31,628	13,537
Toledo	33,755	36,330	45,090
Waukegan	6,800	21,000	17,800
Wheeling	38,355	28,960	27,090
Youngstown	42,985	23,495	21,312
Zanesville	7,825	350	100
Total	$3.951.572	$3.976.056	$2.870,828

South Central	June 1933	June 1932	May 1933
Abilene	$2,055	$2,062	$4,500
Amarillo	5,972	17,344	37,838
Austin	157,684	506,569	111,655
Beaumont	11,984	18,371	15,530
Birmingham	32,145	43,458	48,325
Chattanooga	37,893	40,562	29,074
Dallas	183,002	111,716	246,714
El Paso	10,580	19,674	7,128
Fort Smith	7,251	7,743	12,914
Fort Worth	796,610	175,794	257,381
Galveston	39,442	23,884	32,264
Houston	273,420	145,503	206,693
Jackson	39,074	47,805	15,557
Knoxville	65,460	56,457	60,829
Little Rock	13,247	31,290	11,248
Memphis	138,580	130,520	121,680
Mobile	23,553	41,879	24,720
Montgomery	45,740	24,314	81,036
Muskogee	2,225	1,865	4,575
Nashville	104,485	279,488	67,527
New Orleans	101,349	131,280	159,550
Oklahoma City	76,075	194,861	85,739
Port Arthur	9,227	4,696	6,032
San Angelo	3,165	18,900	575
San Antonio	117,214	47,627	82,190
Shreveport	64,336	48,002	41,668
Tulsa	31,145	91,056	23,787
Waco	26,729	19,635	24,911
Wichita Falls	11,502	25,716	17,237
Total	$2,431,144	$2,308,071	$1,838,877

West Central	June 1933	June 1932	May 1933
Cedar Rapids	$75,217	$30,074	$45,479
Davenport	36,861	27,599	60,174
Des Moines	81,285	195,810	147,431
Dubuque	47,052	14,913	16,335
Duluth	101,999	117,561	215,901
Fargo	12,760	31,865	4,975
Kansas City, Kan.	17,915	10,820	16,090
Kansas City, Mo.	124,300	282,600	153,700
Lincoln	56,149	52,410	29,295
Minneapolis	359,695	215,685	306,350
Omaha	101,729	278,229	152,245
St. Joseph	28,270	21,275	25,470
St. Louis	616,769	462,065	297,137
St. Paul	309,106	254,116	339,002
Sioux City	37,605	168,500	43,655
Sioux Falls	12,695	34,570	21,400
Topeka	26,060	25,163	47,885
Wichita	16,968	25,565	35,530
Total	$2,062,435	$2,248,820	$1,958,054

Mountain	June 1933	June 1932	May 1933
Billings	$19,900	$19,900	$8,500
Boise	14,284	40,138	26,919
Butte	2,040	17,820	32,100
Colorado Springs	19,986	10,925	5,084
Denver	229,792	210,975	217,863
Great Falls	19,335	27,975	2,525
Ogden	1,410	26,250	15,230
Phoenix	20,615	25,942	150,265
Pueblo	10,125	42,951	6,167
Salt Lake City	61,350	46,533	32,885
Tuscon	17,745	27,470	21,923
Total	$396,682	$476,979	$510,961

Pacific	June 1933	June 1932	May 1933
Bakersfield	$30,875	$19,587	$15,824
Berkeley	117,621	94,275	43,001
Beverley Hills	148,450	79,775	204,460
Fresno	58,241	36,700	20,646
Glendale	41,329	54,930	77,204
Long Beach	619,370	309,290	923,540
Los Angeles	1,659,784	1,045,918	1,415,742
Oakland	316,247	221,238	152,434
Pasadena	116,395	76,522	84,879
Portland, Ore.	236,805	160,195	131,965
Sacramento	87,313	105,120	82,695
San Diego	259,437	123,525	186,749
San Francisco	1,069,118	810,226	*510,907
San Jose	90,870	246,240	84,515
Seattle	171,855	494,085	139,870
Spokane	50,264	24,080	62,785
Stockton	24,098	57,921	21,493
Tacoma	49,515	74,370	50,375
Total	$5,147,587	$4,033,997	$4,209,084
Total U. S.	$34,098,384	$32,173,221	$31,525,523
N. Y. City	10,304,501	5,540,238	11,352,280
Outside N.Y.C.	23,793,883	26,632,983	20,173,243

* Does not include about $31,000,000 in connection with Golden Gate Bridge project.

THE TREND OF PRICES

WHILE the break in the prices of the leading commodities at mid-July checked the sensational rises, which had carried some items into new high ground, the general level was above that of the month preceding, and the corrective readjustment did not change the major trends of the markets.

Bradstreet Index 8.1 Per Cent Higher

Although some of the more speculative commodities receded rather sharply from the peaks reached in mid-July, the Bradstreet Monthly Commodity Price Index rose from $8.3375 on July 1 to $9.0095 on August 1, an advance of 8.1 per cent, and an increase of 41.8 per cent over the low of March 1.

	Aug. 1, 1933	July 1, 1933	June 1, 1932
Breadstuffs	$0.1041	$0.0982	$0.0572
Livestock	.2000	.2142	.2585
Provisions	2.0267	1.9909	2.0040
Fruits	.2145	.2176	.2775
Hides & Leather..	1.1300	.9600	.6900
Textiles	2.7112	2.2876	1.4467
Metals	.7000	.6846	.4121
Coal & Coke......	.0100	.0095	.0090
Oils	.5272	.4478	.3829
Naval stores......	.1074	.1026	.0978
Building Mtls.....	.1073	.1035	.0962
Chem. & Drugs...	.8166	.8180	.8162
Miscellaneous	.3545	.3728	.2469
Total........	$9.0095	$8.3373	$6.7950

This is the fifth successive monthly gain in this index, and the current figure, when compared with the $6.950 of August 1, 1932, reveals an increase of 32.6 per cent. When compared with the 1926 average, however, it is 30.8 per cent lower.

Fifth Gain for Dun's Index

The fifth successive monthly gain in Dun's Index Number of Wholesale Commodity Prices lifted the figure for August 1 to $156.134, an increase of $6.956, or 4.7 per cent, over the position it occupied on July 1. When compared with the $128.761 at which the Index stood on August 1, 1932, there has been a rise of 21.3 per cent. From the all-time low of July 1, 1932, an advance of 24.6 per cent was recorded.

	Aug. 1, 1933	July 1, 1933	June 1, 1933	Aug. 1, 1932
	$	$	$	$
Breadstuffs ...	22.881	21.826	19.694	14.611
Meat	10.427	9.920	9.346	13.605
Dairy & Garden	20.518	20.551	19.320	15.959
Other Food....	17.337	17.144	17.245	14.734
Clothing	29.238	27.134	23.675	18.551
Metals	20.923	19.650	19.099	18.521
Miscellaneous ..	34.810	32.953	31.552	32.780
Total	156.134	149.178	139.931	128.761

Weekly Index Off Slightly

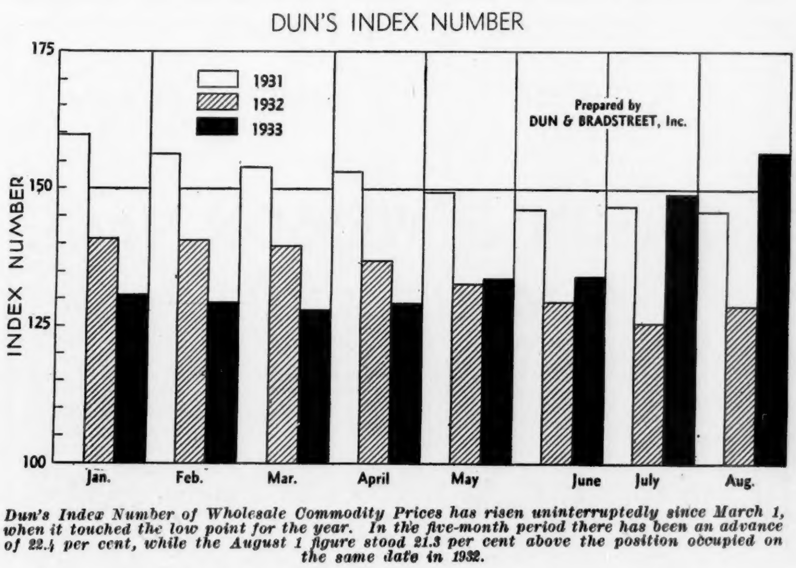
A slight recession was shown in the Weekly Food Index during the last two weeks of July, because of the unsettled conditions in the wholesale commodity markets. The number for the week ended August 1 registered $1.97, as compared with $1.99 for the week preceding and $1.74 on the corresponding date a year ago. It was still, however, 32 per cent above the February low.

	1933	1932	1931	1930	1929
Aug. 1.....	$1.97	$1.74	$2.19	$2.67	$3.37
July 25.....	1.99	1.72	2.19	2.67	3.36
July 18.....	2.08	1.73	2.18	2.67	3.36
July 11.....	2.03	1.73	2.19	2.62	3.33
July 4.....	1.96	1.67	2.15	2.70	3.33

The Daily Weighted Price Index stood at 105.18 on August 3, a slight increase over the previous day's figure, but 2.3 per cent below that of the week preceding. It was, however, 5.4 per cent above the index of the month before, and 36.9 per cent over the comparative figure of 1932. The decline from the high point of July 18 was 7.3 per cent, while the increase over the low point touched on January 20 amounted to 54.0 per cent.

1933			1932		
July	1	99.81	July	2	72.71
July	3	Holiday	July	4	Holiday
July	4	Holiday	July	5	73.38
July	5	101.70	July	6	74.05
July	6	103.90	July	7	74.83
July	7	104.55	July	8	75.00
July	8	105.34	July	9	74.38
July	10	106.68	July	11	75.15
July	11	108.38	July	12	75.01
July	12	110.04	July	13	75.11
July	13	109.96	July	14	75.73
July	14	110.41	July	15	74.83
July	15	111.63	July	16	74.91
July	17	112.79	July	18	75.06
July	18	113.52	July	19	74.83
July	19	112.99	July	20	74.79
July	20	108.14	July	21	74.04
July	21	104.46	July	22	73.82
July	22	104.41	July	23	73.98
July	24	104.55	July	25	75.37
July	25	104.57	July	26	75.83
July	26	105.66	July	27	76.55
July	27	107.98	July	28	76.69
July	28	107.04	July	29	74.99
July	29	105.42	July	30	75.03
July	31	101.59	Aug.	1	76.61
Aug.	1	103.79	Aug.	2	76.48
Aug.	2	105.17	Aug.	3	76.68
Aug.	3	105.18	Aug.	4	76.82

1933 High..............	July 18	113.52
1933 Low..............	Jan. 20	67.86
1932 High..............	Jan. 7	84.41
1932 Low..............	Dec. 24	69.55
1926 Average..................		171.52



Dun's Index Number of Wholesale Commodity Prices has risen uninterruptedly since March 1, when it touched the low point for the year. In the five-month period there has been an advance of 22.4 per cent, while the August 1 figure stood 21.3 per cent above the position occupied on the same date in 1932.

TEXTILE PRICES STILL RISING

by C. S. WOOLSLEY

JULY witnessed the inauguration of the National Industrial Recovery Act in the cotton goods division, and there has been a constant accession of other industries under the N.R.A. insignia. Textiles, as a whole, were more advanced in their readiness to take their share of the new co-operative movement to restore employment and purchasing power, the cotton goods code being the first to be granted by the Administration. Other divisions of textiles were willing to work under that code until their own could be formulated and considered. Right up to July 17, when the start was made, production was at its highest for nearly two years and it has since been tapering down to a 40-hour week basis, with many mills operating two sets of workers over a period of 80 hours each week.

Prices Include Tax

Prices advanced constantly to very high levels, owing to the increased costs from shorter hours and higher wage schedules. In the case of cotton goods, where there was the imposition of a processor tax and a floor tax on stocks under the Agricultural Act, further advances were recorded; in most instances, the latter two taxes were absorbed in the price. In the case of a number of mills, the price was quoted plus the tax. Uniformity has not yet been reached in the method of pricing under the Agricultural Act, but all other Recovery costs are included in the price.

During the month, in order to readjust many contracts placed subject to expected taxes, it was necessary to figure out differentials to apply to the new prices. This work occupied considerable time and trade was held back until lists were completed. As a rule, little serious trouble was encountered in arriving at satisfactory prices for the undelivered parts of contracts. A great deal of confusion resulted from the difficulty of valuing cotton goods for the purpose of the floor stock tax in all trade channels and that work still is going on. Fortunately, this complicated work came in a normally quiet trading month and made good progress, all things considered.

Some Quotations Doubled

Price advances in the cotton goods division have been very sharp, and it has been erroneously charged that the advances were excessive and speculative. Previous to the inauguration of the N.R.A. in the industry cotton had doubled in price from the extreme low point of the depression. In the South two wage advances were granted in quick succession, and one was given in many New England centers. There had been a very broad demand for merchandise of all kinds and in all channels. When the costs of shorter hours and higher wages were computed and became a part of the price of goods the advances seemed large, but in a great many cases they did not actually cover replacement costs. To these were added on August 1 a processor tax of 4.2c. per pound on cotton and a compensatory tax on stocks of goods held in all channels.

The most striking advances were seen in unfinished goods, where quotations on many of the most staple numbers were more than double the prices quoted in February. Unfinished lines in the finer count yarns did not advance quite so rapidly as many of the coarser goods, but since the first of the month they have been rising fast to make up for the higher wage scales adopted in New Bedford and Fall River, and in other parts of the country where combed goods are made.

Finished goods prices lagged in the early part of the upward movement, but after July 17 they began to move in keeping with the values set on all unfinished lines. Finishing costs were more than doubled in all job finishing plants and in plants where all processes are done in the same centers, as in the case of corporation printers, bleachers, dyers, etc. Many printed goods were advanced to double the prices current in March. Sheets and pillowcases were advanced fully 75 per cent from the low point. Denims, tickings, chambrays, and a host of other goods that go direct to the garment or needle trades were advanced in about the same ratio. Towel prices were doubled and many cotton yarns were more than doubled in price due, in some part, to the addition of the processor tax and also to the very sharp wage advances made in several large plants.

Shipments Continued Heavy

While these great advances were taking place, the shipment of merchandise on past orders showed little or no let-up from the heavy movement noted in June. New business, however, slowed up considerably in the primary division. Buyers held off until they could learn more of the probable effect of the new Act upon their own business and until they could digest goods already on order at low prices. Sellers could not press goods for sale as they had no price of a permanent character for many days and were busily engaged in fixing differentials looking toward repricing contracts still running and not likely to be completed in many cases until September or later.

The converters and wholesalers moved out seasonal lines of Summer goods very freely and cleaned up many stocks that were added to in late May and June in anticipation of just such a late season as has been seen. In dress cottons the demands were persistent for white goods, organdies, piques, and many types of printed materials long after the end of a normal selling period for Summer retail business. Many retail and wholesale houses cleaned out their stocks of shirts and staple underwear, some of which were congested for a year or two.

Speeding Code Adoption

All other divisions of textiles have been slower in their readjustments to the new deal than cotton goods. Nevertheless, in the wool goods industry production continued full right up to the acceptance of the blanket code or the cotton code of shorter hours. The clothing manufacturers, as a rule, have received good initial Fall orders, but now are confronting the general difficulty of meeting higher costs for fabrics and garment production. New business in the fabric field was held up, as in all lines, pending a readjustment of prices based on new costs. Stocks are ample for present needs with many clothing manufacturers whose credit warranted the acceptance of the large business placed early, but smaller factors are unsupplied or have had to buy more from jobbers than ever before in recent years.

In the women's wear field, some mills are so busy that entering upon the N.R.A. movement will cause them to fall back on many deliveries contracted for some time ago. When prices are made under the new codes, it is expected that advances will range from 20 to 30 per cent over the prices current when business slackened a month or more ago.

Silk business slackened up last month in some lines, but there was a steady demand for gray goods and for many staple and semi-staple crepes, and satins. Many of the higher qualities of failles, and other corded goods are in light supply, but this is due largely to the caution shown in building up stocks or selling far ahead while costs were uncertain.

DAILY SPOT PRICES AT LEADING COTTON CENTERS DURING JULY, 1933

	Sat. July 1	Mon. July 3	Tues. July 4	Wed. July 5	Thurs. July 6	Fri. July 7	Sat. July 8	Mon. July 10	Tues. July 11	Wed. July 12	Thurs. July 13	Fri. July 14	Sat. July 15
New Orleans, cents	10.20	10.38	*....	10.17	10.39	10.18	10.15	10.63	10.63	11.46	11.40	11.55	11.40
New York, cents	10.30	10.40	.....	10.25	10.50	10.30	10.25	10.75	10.65	11.55	11.40	11.60	11.40
Savannah, cents	10.10	10.31	.....	10.08	10.34	10.11	10.10	10.60	10.53	11.38	11.20	11.34	11.20
Galveston, cents	10.05	10.30	.....	10.10	10.35	10.15	10.10	10.60	10.55	11.45	11.30	11.45	11.30
Memphis, cents	10.30	10.50	.....	10.30	10.40	10.15	10.15	10.65	10.60	11.45	11.30	11.30	11.15
Norfolk, cents	10.25	10.46	.....	10.25	10.46	10.25	10.25	10.75	10.65	11.55	11.35	11.48	11.35
Augusta, cents	10.15	10.36	.....	10.14	10.39	10.17	10.15	10.65	10.59	11.47	11.30	11.34	11.21
Houston, cents	10.15	10.35	.....	10.15	10.40	10.15	10.15	10.65	10.60	11.50	11.35	11.50	11.35
Little Rock, cents	10.10	10.36	.....	10.13	10.38	10.16	10.15	10.64	10.58	11.46	11.29	11.43	11.25
Fort Worth cents	9.80	10.00	.....	9.80	10.05	9.85	9.85	10.35	10.30	11.15	11.00	11.15	11.00
Dallas, cents	9.80	10.00	.....	9.80	10.05	9.85	9.85	10.35	10.30	11.15	11.00	11.15	11.00
	Mon. July 17	Tues. July 18	Wed. July 19	Thurs. July 20	Fri. July 21	Sat. July 22	Mon. July 24	Tues. July 25	Wed. July 26	Thurs. July 27	Fri. July 28	Sat. July 29	Mon. July 31
New Orleans, cents	11.55	11.68	11.24	10.54	9.94	10.13	10.53	10.43	10.63	10.87	10.47	10.50	9.98
New York, cents	11.65	11.75	11.35	10.55	10.10	10.20	10.55	10.50	10.65	10.90	10.50	10.50	10.00
Savannah, cents	11.45	11.56	10.99	10.30	9.82	9.87	10.27	10.19	10.37	10.62	10.21	10.21	9.72
Galveston, cents	11.50	11.55	11.15	10.40	9.95	10.00	10.40	10.30	10.45	10.75	10.35	10.35	9.85
Memphis, cents	11.40	11.50	11.10	10.10	9.65	9.70	10.10	10.00	10.15	10.50	10.10	10.10	9.60
Norfolk, cents	11.60	11.70	11.28	10.55	10.02	10.12	10.52	10.40	10.55	10.80	10.40	10.40	9.90
Augusta, cents	11.44	11.55	11.13	10.39	9.93	10.06	10.47	10.34	10.51	10.77	10.35	10.37	9.88
Houston, cents	11.55	11.65	11.25	10.50	10.05	10.05	10.45	10.35	10.55	10.80	10.40	10.40	9.90
Little Rock, cents	11.43	11.50	11.08	10.32	9.76	9.70	10.21	10.09	10.16	10.43	10.00	10.00	9.52
Fort Worth cents	11.25	11.35	10.95	10.20	9.75	9.75	10.20	10.05	10.25	10.50	10.05	10.05	9.60
Dallas, cents	11.25	11.35	10.95	10.20	9.75	9.75	10.20	10.05	10.25	10.50	10.05	10.05	9.60

* Holiday

BUSINESS CONDITIONS, BY DISTRICT

Atlanta Improvement both in wholesale and retail distribution continues in all lines. Wholesalers report substantial increases in bookings for Fall delivery, though a degree of conservatism is evident, with an occasional speculative trend noted, particularly in textiles. The majority of industries are operating on increased schedules with wider employment and higher wage scales.

Baltimore Although it is Midsummer, when there normally is a recession in activity, the improvement in local business continues unabated. Increases are reported in employment instead of the usual seasonal decrease. There is abundant evidence of the intention of local industries to fully cooperate with the Administration in its efforts to increase wages and reduce unemployment.

Manufacturing industries generally report increasing production and sales. Sales of metal beds, springs and mattresses are reported 50 per cent above those at this time last year.

Boston Manufacturing activity in the leather and textile lines continued unabated all through July, with most of the mills and factories now sold up several months ahead. Conditions are particularly favorable in the trades producing men's and women's clothing, silk and rayon goods, bakery products and leather. Employment in these lines is running close to or above the average for the year 1925 to 1927. Wholesale and retail lines, while active, do not show corresponding increases in pay rolls and employment.

Shoe manufacturers are receiving a large volume of orders, but owing to the uncertainty of future operating costs they are unwilling to book orders for more than two or three months in advance. Quotations are being advanced steadily.

Chicago Retail trade continued to expand during July, while wholesale activities held at levels well above those of a year ago. Wholesalers report a brisk demand for all lines of spot merchandise, with buyers taking goods to the limit of their credit or sales capacity. Immediate delivery of certain textile items, however, is impossible, and one large wholesaler reports that the output of its cotton textile mills is sold out until October. Advance buying of holiday lines has been unusually active.

Cincinnati There has been no appreciable modification in the gradual upswing that has characterized the movement of general business in this district since April. Retail trading has been stimulated by hot weather, and the volume of business transacted by the leading stores has exceeded last year's in many instances. The usual mid-season lull has been less noticeable, and forward buying is more in evidence.

Wholesalers of dry goods and textiles report substantial improvement in sales during July, by comparison with the volume recorded for the same months last year.

Cleveland Retail trade continues beyond expectations in all seasonal lines. Particular consumer interest is apparent in wearing apparel and shoes. Wholesalers and jobbers find the steadily rising price trends extremely beneficial, orders for immediate shipment invariably prevailing, and for the first time in more than a year a general tendency is noted to place orders in sizable amounts.

Led by the steel industry, manufacturing is expanding steadily. Automobile parts and accessory manufacturers are producing close to capacity, while the tire business also is getting the advantage of a general upturn in consumer demand.

Denver Wholesalers are registering gains of 10 to 15 per cent over last year's sales totals at this time, with automobiles, wearing apparel, furniture, electrical appliances, and mining machinery leading. Retailers report sales as 8 to 10 per cent over the 1932 figures. Due to replacements having advanced 35 to 100 per cent, they will show a profit on stocks carried prior to the advances, which should improve the retailers' financial position considerably in this territory.

Detroit Retail trade, helped by increasing employment and augmented pay rolls to workers, is gaining gradually in a narrowing of the spread of the ratio to productive activity and to cumulative stocks of merchandise. The employment index for the last week of July was 3 per cent above that of June.

Now that industrial codes are beginning to be applied, a recession in productive activity is anticipated to bring it more nearly in balance with consumer purchasing power. A conspicuous exception is the automobile industry, in which sales to the public are running substantially ahead of those of last year.

Kansas City Comments by leading wholesalers in groceries, dry goods, drugs and hardware reveal that the July business was better than expected, and that collections from retailers were coming in satisfactorily. Some concern continues to be felt as to the probable results of the buying power of the consumer, rather than is expressed over the recent slump in the wheat market.

Livestock prices continue to bring satisfactory returns. Wholesale flour business was good during the early part of the month but dropped off somewhat toward the close. There has been a slight increase in employment in the building trade, and the two large

motor car plants here are working the largest number of men since 1929.

Los Angeles Retail trade continued fairly steady during July in this district. Except in spots, the usual Summer lull is not in evidence, as yet. Foodstuffs are steadily active, also automobile tires. Furniture sales continue moderately above those for this period of 1931 and 1932. Wholesale trade has been fair in virtually all lines except drugs. Distribution of prescription spirits has helped wholesale druggists' volume somewhat, however.

Government orders for $3,000,000 of steel for Boulder Dam have helped the local heavy steel industry. Tire factories continue at full capacity. Crude oil production showed a slight increase during the month, and some drilling activity was reported. Gasoline and oil distribution has been steady at the recently increased prices.

Memphis Stimulated by the incentive of escaping some of the anticipated rise in prices, in addition to that already had, business in most lines has shown a further pick-up. Prospect of distribution of funds from the government, as the result of the successful campaign for leasing cotton lands as part of the plan for higher prices, also has been felt, although its full effect is ahead. The continued rise in the staple has stimulated all branches of business.

Milwaukee Favorable business reports are being received from all lines, both in industry and in trade, and there continues to be evidence of increased employment. All the lines which heretofore have demonstrated a revival and increased activity are holding their own or showing further employment. The most notable industry which can be added to the list is the metal trades, which also is registering increased employment. Further improvement also is noted in the furniture line, and allied industries.

Newark Retail trade in July continued at the good level established for June. The textiles probably were the most active. Light, or Summer-weight, wearing apparel continued to sell well. There was a good volume of sales in sport clothing and outing apparel.

Among manufacturers, there is more activity than a few weeks back. Manufacturers of paint and varnish note improvement in demand. Tanners are busier than for some time past, with leather selling at higher levels.

New Orleans An improved condition and a decidedly more optimistic feeling are found in general trade. This, in spite of somewhat smaller sales, following the recent expansion in buying. Pay rolls are increasing, both as to number and amount, with the resulting increase in buying power.

Crops have been set back by lack of moisture, but a large portion of the cotton, corn and vegetable sections has had rains recently. This increases estimates on expected yields, but also has lowered prices, both current and future, according to quotations in the exchanges.

Philadelphia While the intense heat that prevailed during the greater part of July had some re-

tardative influence on the movement of several retail lines, sales generally were ahead of the total for July last year, with the most outstanding gains recorded for men's and women's clothing, shoes, staple goods, luggage, and travelling accessories, house-furnishings, furniture, and rugs. Hardware moved at a better rate, and electrical appliances have been selling more freely, being led by the continued upswing in the demand for electric refrigerators.

Pittsburgh Retail sales are holding at about the same level as in June, with a slight drop in the volume of business transacted at wholesale, although orders for future delivery are being placed in larger volume, some of the merchants apparently anticipating a further increase in prices, and also an increased Fall demand on the part of the consumer. Prices continue to show a rising tendency in dry goods, women's wearing apparel, and shoes, and stocks of some lines appear to be much lower than usual. Industrial operations are at a higher level than in June, with the exception of steel mills.

Portland, Ore. Acceleration of industry continues in line with national recovery. Some slight delays have occurred, pending readjustment of minor differences, but the trend in all lines is definitely upward. A decline in lumber orders has given manufacturers an opportunity to gain on shipments and build up depleted inventories to practical proportions.

St. Louis Further improvement has been noted in general conditions in this district, particularly in the unemployment situation. Orders showed some slackening during the latter part of the month, as reported by ready-to-wear clothing manufacturers and jobbers. Shoe manufacturers indicate that sufficient orders already are on file to insure steady operation for the next sixty to ninety days.

The iron and steel trades also have reported improvement over June. Increased activity is reported in the lead and zinc mines at Joplin, Mo. Flour millers in the near vicinity report sales having dwindled to small proportions since the processing tax became effective.

San Francisco The trend of general business continues upward, although the improvement in retail lines has been less pronounced than among the wholesalers and manufacturers. Commodity prices still are advancing and deliveries in a number of lines are becoming slow, because of the increasing sales volume.

Toledo Department stores locally have shown a gradual increase in volume each week during the past several months, over the same period of a year ago. The wholesale dry goods and shoe business indicate a corresponding increase.

Foundries and machine shops indicate gradual increases in production. The glass industry has shown substantial increases for several months.